ANNUAL REPORT 2021

Apetit's integrated annual and corporate responsibility report provides information about Apetit Group's operations and impact, events in 2021 and the progress of strategic targets and corporate responsibility work.

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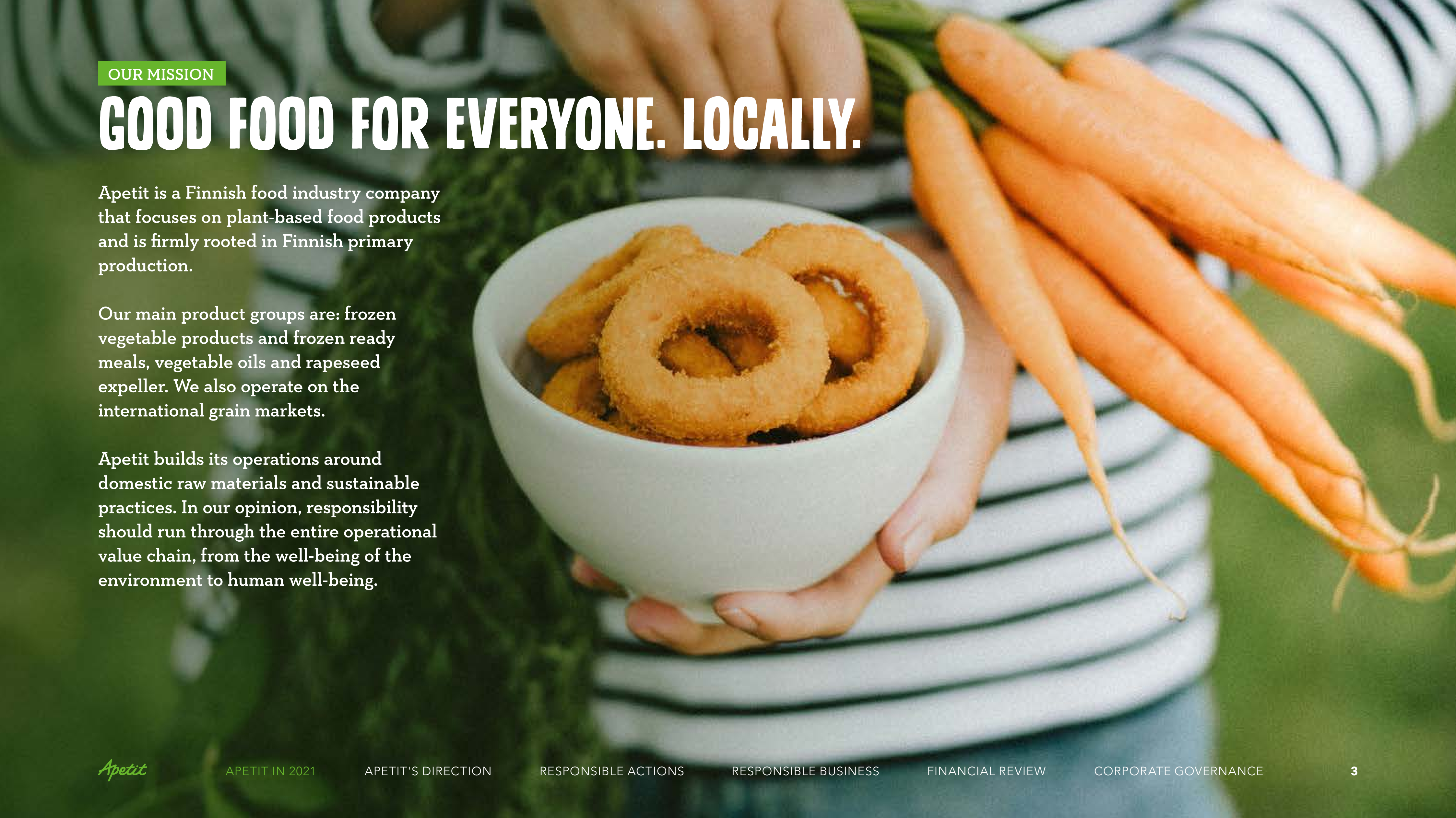


OUR MISSION

GOOD FOOD FOR EVERYONE. LOCALLY.

Apetit is a Finnish food industry company that focuses on plant-based food products and is firmly rooted in Finnish primary production.

Our main product groups are: frozen vegetable products and frozen ready meals, vegetable oils and rapeseed expeller. We also operate on the international grain markets.

Apetit builds its operations around domestic raw materials and sustainable practices. In our opinion, responsibility should run through the entire operational value chain, from the well-being of the environment to human well-being.

KEY FIGURES 2021

31% CO_2 EMISSIONS REDUCTION

79% USE OF FINNISH RAW-MATERIALS IN FROZEN PRODUCTS

376 PERSONNEL AT THE END OF 2021

NET SALES
283.9 EUR MILLION
(292.9)

EBITDA
9.2 EUR MILLION
(10.2)

OPERATING PROFIT
2.8 EUR MILLION
(3.9)

PROFIT FOR THE PERIOD
2.4 EUR MILLION
(3.2)

INVESTMENTS
6.6 EUR MILLION
(7.8)

PROPOSED DIVIDEND
0.40 EUR
(0.50)

SELECTED TOPICS FROM 2021

One million Baltic herring fish fingers were eaten on Baltic Sea Day

On Baltic Sea Day, 26 August 2021, one million Baltic Sea Fish Fingers, made of Baltic herring, were eaten in Finnish schools and kindergartens. The campaign was part of Apetit's Baltic Sea Day campaign. Baltic Sea Day is an annual theme day that celebrates the Baltic Sea and highlights the challenges that threaten it.

THE CARBON FOOTPRINT OF THE APETIT RAPESEED OIL SOLD THROUGH RETAIL CHANNELS

2.7 KG CO_2-EQ/KG

Apetit calculated the carbon footprint of domestic rapeseed oil

Apetit carried out a carbon footprint study for domestic rapeseed oil. Total of 87 per cent of climate impacts are generated by primary production. The low impact of the Kantvik vegetable oil milling plant (3 %) is mainly due to the high energy efficiency of the oil milling plant and high share of renewable energy resources.

Good result for Apetit in CDP's international climate assessment

Apetit Group reached a B score for good environmental management in the climate assessment of the global environmental organisation CDP. The Management score was given to Apetit in CDP's Climate Change assessment after the company took part in the minimum version of the survey. This was the first time Apetit participated in the CDP survey.

Investing in domestic frozen pizza

Apetit invested approximately EUR 2 million in a new frozen pizza production line at the Pudasjärvi plant. The investment will bring significant improvements to Apetit's range of frozen pizzas, particularly with regard to taste and texture. The new generation of frozen pizzas will be available to consumers in 2022.

Kantvik bioenergy plant became operational

The bioenergy plant built at the Kantvik vegetable oil milling plant was put into production in late 2021. The bioenergy plant significantly reduces the Group's CO_2 emissions and energy costs.

Apetit calculated the climate impacts of its value chain

Apetit expanded the reporting of its climate impacts to include the emissions of the Group's value chain in its entirety. The Scope 3 calculation according to the GHG Protocol was carried out for the years 2019–2021. More than 65 per cent of the Group's climate impacts are generated by acquired raw materials and services. The results are presented in more detail on page 36 of the report.

Apetit has agreed on selling the Baltic business operations of the Grain Trade

In December 2021, Apetit announced that the Group's subsidiary Avena Nordic Grain has signed an agreement on selling the Baltic operations of the Grain Trade business to Scandagra Group, which is a leading agriculture company in the Baltic countries. The transaction is expected to be completed during the first quarter of 2022.

CEO´S REVIEW

SUSTAINABLE FOOD CHOICES

Our performance in 2021 varied by business segment. At the annual level, the Group's operating profit was lower than in the previous year due to the weak profitability of the Grain Trade business. The profitability of the Oilseed Products segment was burdened by the record-high raw material price and increased logistics costs. With regard to the refining margin, the situation will remain challenging early in the year. In Food Solutions, development has been, for the most part, very positive.

Apetit published its updated corporate responsibility programme with ambitious targets in spring 2021. The content and target-setting of the programme is built throughout the value chain, from primary production to the consumer. We have categorised our sustainability targets under four themes: 1) Cultivation development and contract farming, 2) The climate impacts of operations, 3) Products and packaging solutions and 4) Social impacts.

In our operations, we focus on reducing our climate impacts especially by investing in renewable energy solutions as well as by developing energy efficiency and material efficiency.

In our products, we rely on domestic plant-based food solutions and their development, growing our range of products based on local fish as well as packaging solutions that are sustainable and fit for their purpose.

For Apetit, responsibility consists, first and foremost, of everyday actions. Nowadays, the development of own operations and the improvement of their efficiency are prerequisites for sustainable development but, to a large extent, they also directly improve the company's profitability.

Cultivation development and contract farming

Apetit is closely integrated with domestic primary production when it comes to field vegetables, oilseed plants and grain. We have decades of experience in the contract growing of field vegetables in cooperation with our contract growers. This year, we have also increased the contract cultivation area of oilseed plants, in line with our targets. The cultivation of domestic oilseed plants has strategic importance to us: the demand for domestic vegetable oil is strong in all sales channels.

Our responsibility programme aims at developing sustainable cultivation methods to improve soil fertility and at introducing any related new practices to our contract growers. Basic cultivation development is our forte, which we have been carrying out for decades on our own Räpi experimental farm in Köyliö, Säkylä.

In addition to our own basic work, the Räpi experimental farm is currently carrying out projects related to soil fertility improvement and carbon farming in cooperation with various actors. We are committed to training our contract growers in any new practices that may emerge from these projects.

The climate impacts of operations

Our target in reducing CO_2 emissions from our own operations by 75 per cent by 2025 is significant. In late 2021, we commissioned the bioenergy plant at the Kirkkonummi vegetable oil milling plant, which will significantly reduce the Group's CO_2 emissions. It plays an equally important role in our energy costs as the milling of vegetable oil is the Group's most energy-intensive process.

In line with our targets, we have also improved the material efficiency of our production. With an investment for steam peelers, we have been able to use less steam during the peeling phase and, for example, brush scrubbers introduced in the summer reduce our water consumption by about 15,000 m^3 per year. Thanks to the improvements, we are also able to use vegetables more fully in actual production. Inevitable side streams are utilised in energy production: vegetable peeling waste is delivered to the biogas plant to be processed further into biogas and recycled fertiliser.

Products and packaging solutions

In many ways, Apetit's products are a good match with both existing food trends and responsible food choices, increasingly demanded by consumers. Well-being, ease of use, local food and origin as well as ethics, environmental friendliness and responsibility are some of the central themes in the mainstream consumption trends. Domestic origin has become even more important during the COVID-19 pandemic.

Apetit is the market leader in frozen vegetable products in Finland. As the only Finnish operator, we have a strong position in the retail trade and the professional food service sector and as the provider of raw materials for products manufactured by other Finnish industries. We have also succeeded in increasing the sales of our vegetable oils, especially in the retail trade. In addition to plant-based food products, we have successfully turned local fish from Finnish lakes and the Baltic Sea into products.

Our strategic goal is to seek growth from plant-based added value products by expanding into new product segments, for example. There are excellent examples of this from last year: the new Meal Bowl ready meals introduced to shops' frozen food sections, the oven and barbecue vegetables suitable for many seasons, the Rings products to complement the selection of snack products and Baltic Sea Fish Fingers, launched in the autumn, which is the newest addition to the local fish product family and is made from domestic Baltic herring.

Sustainable packaging solutions are an essential part of responsible products. In food products, packaging plays a particularly important role both in terms of product safety and shelf life. High-quality, appropriate packaging protects the product and prevents its spoilage and thus also food waste. Our packaging-related target is 100% recyclability in retail products sold under the Apetit brand. Previously, we have already made our packaging thinner, which has enabled us to significantly reduce our plastic consumption.

Social impacts

Apetit's goal is to be a responsible partner and employer. Our strong commitment to responsible sourcing is an integral part of our business. Therefore, at the end of last year, we updated the sourcing responsibility guidelines, which provide us with a solid foundation for sourcing. First-class, responsibly sourced ingredients and other materials are a prerequisite for high-quality and safe products.

We will develop Apetit as an employer that is perceived by our personnel as an equal and fair workplace where it is safe to work and where employees are given space to participate in development efforts as well as develop themselves as professionals. We monitor this with a number of internal indicators. Last year, we invested particularly in occupational safety and making it visible throughout the Group.

Thanks

Apetit's key strengths are highly competent and motivated employees and expert partners. I would like to take this opportunity to warmly thank all our stakeholders: our shareholders, customers, contract growers, personnel and other partners.

Esa Mäki
CEO

APETIT'S DIRECTION

The strong foundation of Apetit's unique value chain is in Finnish primary production. Further strengthening of the value chain is at the core of Apetit's strategy.

OPERATING ENVIRONMENT

Consumers want to increase their use of vegetables and plant-based products. As well as being healthy and tasting good, vegetable-based eating is a sustainable choice.

Apetit is the largest Finnish operator in Finland, its principal market area, and the leading developer of a unique plant-based “from field to fork” value chain in its product groups. Apetit sells its products to retailers, the Food Service sector, food industry, animal feed industry and exports.

In Finland, grocery trade is highly concentrated. In the Food Service sector, sales are more evenly distributed and products are sold both directly to restaurant chains and through various public sector procurement clusters and Food Service wholesalers.

In the grain trade, Apetit operates under the Farmer’s Avena Berner brand. The consolidation process of industry and trade closely linked to primary production has changed the playing field in the grain trade in Finland in recent years. Apetit plays a particularly significant role in exporting Finnish grain: in the international grain trade, Apetit has established its position in its selected market areas, and the company is recognised as a reliable operator among customers.

MARKET POSITION

Frozen vegetables and frozen foods

Market share and competetive position

Apetit is the market leader in Finnish frozen vegetables and frozen ready meals. In frozen products, the competitive situation is expected to remain unchanged in Finland, with competition mainly coming from big international players and private label products. In the international food trade, Apetit is still fairly unknown, but lately it has strengthened its position especially in the retail trade and Food Service sector in Sweden.

Competetive advantages

- Unique raw material sourcing model based on contract farming
- Strong market position and highly regarded brand
- Expertise in product development and production
- In-house cultivation development based on a sustainable food supply chain
- High degree of Finnish origin

Raw materials for feeds

Market share and competetive position

Apetit has a considerable share in the sales of oilseed-based raw materials for feeds in Finland.

Competetive advantages

- No salmonella
- Alternative as soy replacement

Vegetable oils

Market share and competetive position

In vegetable oils, Apetit is the market leader in the food industry and Food Service channels and a significant player in the grocery trade. Competition from abroad has increased somewhat especially in industrial sales.

Competetive advantages

- Economies of scale in production and sourcing
- Very high production efficiency and delivery reliability
- High-quality products for a broad customer base
- Chemical-free and environmentally friendly process
- High degree of Finnish origin

Grain trade

Market share and competetive position

Apetit is a significant operator and the only Finnish player in the Finnish grain market. The market share in the domestic grain trade varies from year to year. International players have expanded their operations in Finland, which increases competition in the grain trade value chain.

Competetive advantages

- The only Finnish player in the market
- Expertise and personal service

DOMESTIC ORIGIN AND SUSTAINABILITY MAINTAIN A STRONG ROLE IN FOOD TRENDS

Domestic origin, responsibility, well-being and sustainable eating continue to be strong influencing factors in consumer eating habits and food trends. Domestic origin is in many ways a cross-cutting theme in many trends – Finnish food has a reputation as high quality, clean nutrition and the exceptional circumstances brought about by the pandemic have further increased the willingness to support domestic production.

Domestic origin is an important aspect

There are many factors related to the appreciation of domestic origin and local food. It is about quality and the purity of food, on the one hand, and about the responsibility of the supply chain and the traceability of food, on the other. It is also based on people's desire to reduce the climate impacts of eating.

Domestic origin is also highly visible at Apetit: in 2021, the degree of domestic origin in the raw materials of Apetit's frozen products was 79 per cent. Apetit's oilseed products also use as much domestic raw materials as possible. Apetit is also working to bring new domestic raw materials to the market: for example, chickpeas were cultivated at Apetit's Räpi experimental farm in 2021.

Responsible and sustainable food choices

Ingredients that were much used in the past but subsequently somewhat forgotten and underutilised have again been on the rise in recent years. Cyprinids and Baltic herring, for example, are ingredients the use of which has a positive impact on both the environment and people and are thus excellent examples of sustainable food solutions. Another example is potato, which has returned, after a long decline, more strongly to Finnish consumers' dinner tables.

In 2021, Apetit's local fish product family expanded to Baltic Sea Fish Fingers, made of Baltic herring. Baltic herring is underutilised in food and removes eutrophicating phosphorus from the Baltic Sea.

More vegetables on the plate

Food choices that focus especially on well-being have remained a strong trend for a long time. In a plant-based diet, well-being is often combined with climate friendliness. In recent years, increasingly strong growth has been witnessed in the demand and supply of various plant protein products.

Apetit has continued to bring plant-based food products to the market. At the beginning of 2022, a new product, Vegetable Ball, will be launched in the product range for the professional food service sector. It contains BlackGrain, Apetit's completely new plant-based protein made from rapeseed powder.

STRATEGY

Strategic focus areas and key measures in 2021

1. OPTIMISING CORE BUSINESS FUNCTIONS

We will improve process efficiency in all of our operations. We will scale our operations in relation to the company's existing size. We will improve resource efficiency through partnerships. We will develop our trading ability in the grain trade.

Key measures in 2021:

- Commissioning of the bioenergy plant at the Kantvik vegetable oil milling plant in Kirkkonummi.
- Investments to improve production and material efficiency at the Säkylä plant.
- Agreement on selling the Baltic operations of the Grain Trade business to Scandagra Group.

2. STRONG FOOTHOLD IN SWEDEN

We will strengthen the Swedish market as the primary focus area of food export. We will ensure and deepen our existing customer relationships and also build new customer relationships. We will develop and expand our market-specific product portfolio. We will build appropriate partnerships for other selected markets.

Key measures in 2021:

- Expansion of the Apetit product selection in ICA, the largest retail chain in Sweden.
- New retail customers in Sweden.
- Strengthening of partnerships and product launches in other markets.
- Systematic increase of the total export volume.

3. GROWTH FROM PLANT-BASED ADDED VALUE PRODUCTS

We will increase the sales of our existing product portfolio and expand our customer base. We will expand to new product segments. We will strengthen our commercial position in Foodservice channels. We will create a model for the commercialisation of the rapeseed protein ingredient.

Key measures in 2021:

- Continuous development of new plant- and fish-based products and product groups.
- Launch of a new product group: the Meal Bowl ready meals to shops' frozen food sections.
- Launch of the small-scale production of the rapeseed protein ingredient and introduction of the ingredient in the first Apetit product.

4. DEVELOPING FARMING PARTNERSHIPS

FOOD SOLUTIONS: We will expand contract farming in pea and possible new plants. We will improve the preconditions for farming by developing cultivation measures, soil health and plant protection measures, among other things. We will make

FINANCIAL OBJECTIVES

EBITDA

14 EUR MILLION

IN 2022

(continuing operations in 2019 EUR 0.8 million)

RETURN ON CAPITAL EMPLOYED (ROCE %)

›8%

(2019: -4.0%)

use of new opportunities, such as carbon farming.

OILSEED PRODUCTS: We will deepen our contract farming model to ensure the availability of Finnish raw materials.

GRAIN TRADE: We will become the farmer's primary partner by developing logistics solutions and utilising selected partnerships.

Key measures in 2021:

- Active participation in the Räpi experimental farm's projects promoting soil fertility and carbon sequestration.
- Increase in oilseed plant contract farming in accordance with the set objective.
- Continuous cooperation with growers: advice and training.

5. SUSTAINABLE ACTIONS

We will promote cultivation development and implement new sustainable cultivation methods. We will provide new diverse alternatives to increase plant-based and sustainable eating. We will make sustainability an even more intertwined part of all of our operations. We will decrease the Group's environmental and climate impacts in accordance with set objectives.

Key measures in 2021:

- Expansion of the local fish product family: the launch of Baltic Sea Fish Fingers.
- Publication of an updated corporate responsibility programme and targets.
- Calculation of the carbon footprint of domestic rapeseed oil.
- Development of the Group's carbon footprint calculation to cover the entire value chain according to the GHG Protocol (Scope 3).


VISION:
SUCCESSFUL FINNISH COMPANY FOCUSING ON PLANT-BASED FOOD PRODUCTS
MISSION:
GOOD FOOD FOR EVERYONE. LOCALLY.
MAKING EVERYDAY LIFE EASIER
Apetit
KOTIMAINEN
ORGANIC PEAS
Apetit
BEETROOT BALLS
Apetit
KOTIMAINEN
LAKEFISH FINGERS
Apetit
RAPESEED OIL
UNIQUE VALUE CHAIN
IMPORTANCE OF THE FOOD ORIGIN
WELL-BEING
STRATEGIC CHOICES:
OPTIMISING CORE BUSINESS FUNCTIONS • STRONG FOOTHOLD IN SWEDEN
GROWTH FROM PLANT-BASED ADDED VALUE PRODUCTS
DEVELOPING FARMING PARTNERSHIPS • SUSTAINABLE ACTIONS
DOMESTIC INGREDIENTS
CLIMATE-RESPONSIBLE ACTIONS
INTEGRATION INTO DOMESTIC PRIMARY PRODUCTION
CORE VALUES:
SUCCESS THROUGH COOPERATION
BOLD RENEWAL
RESPONSIBLE OPERATIONS

HOW WE CREATE VALUE

Resources

Personnel:
376 skilled employees

Natural resources:
Food raw material from contract growing and other procurement, energy, water, packaging materials.

Manufacturing and services:
Three production plants in Finland, experimental farm, grain warehouses in Finland and Estonia, grain trade buying and selling organizations in Finland.

Intangible capital:
Strong and well-known brands (Apetit, Avena, Neito), innovation and product development, company values and responsibility as part of the strategy. Finland's leading position in the frozen food and vegetable oil markets. Exporter of Finnish grain to the world. Strong expertise in all businesses.

Financial resources:
Stable equity
EBITDA EUR 9.2 million
Return on investment 2.4%
Operating profit EUR 2.8 million
Net sales EUR 283.9 million

Social resources:
Strong commitment to cooperation with Finnish primary producers, close links with stakeholders, partners and customers.

Our operations

Apetit is a food industry company firmly rooted in Finnish primary production. Our operations are based on a unique value chain from field to table.

MISSION:

Good food for everyone. Locally.

Three business segments:
- Food Solutions
- Oilseed Products
- Grain Trade

Five strategic focus areas:
- Optimising core business functions
- Strong foothold in Sweden
- Growth from plant-based added value products
- Developing farming partnerships
- Sustainable actions

Output

For consumers, Food Service sector and industry:
- Sustainable, high-quality plant-based food solutions and raw materials that make everyday life easier and create well-being.
- More options for sustainable and plant-based eating with product development.

Reliable partner:
For Finnish primary producer, food trade, the Food Service sector and food industry companies.

Total taxes payable:
EUR 0.1 million

Owners:
Dividends EUR 2.5 million

For society:
- Cooperation and support for research institutes and projects.
- Partnerships and donations to local communities, support for Apetit-sponsored teams.

Impacts

Social impacts

Direct and indirect employment.
Investments in occupational safety: target for 0 accidents at work.

Personnel:
Salaries and fees EUR 16.0 million

Growers and partners:
Raw materials, goods and services total EUR 249.0 million

Purchases from domestic farmers:
EUR 4.3 million vegetables
EUR 10.7 million rapeseed
EUR 43.9 million grain

Safe and pure food at an affordable price for consumers.

Well-being from plant-based raw materials for people and the environment.

83%

IN PERMANENT EMPLOYMENT RELATIONSHIP

Environmental impacts

Indirect impacts from primary production: impacts on biodiversity, eutrophication and climate impacts.

Apetit Group's carbon footprint:
9,937.0 tonnes CO_2 eq. (Scope 1&2).
353,016.3 tonnes CO_2 eq. (Scope 1-3).

Target:
Reducing Scope 1&2 CO_2 emissions by 75% by 2025.

Food solutions based on plant-based raw materials and on sustainable fish stocks.

WE REDUCED OUR SCOPE 1&2 CO_2 EMISSIONS BY

31%

SAVING USE OF PLASTICS BY MAKING PACKAGINGS THINNER

20,000 KG

OUR BUSINESS

FOOD SOLUTIONS

ESA MÄKI, DIRECTOR, FOOD SOLUTIONS

In 2021, we continued to focus strongly on domestic raw materials, products and work. The severe heatwaves and drought in the summer took its toll on Finnish harvest, but our domesticity rate stayed at a high level. Our strong cooperation with domestic primary production is a source of pride for us.

We have increased the share of local domestic fish we use. Baltic Sea Fish Fingers, launched in autumn 2021 and made of domestic MSC-compliant Baltic herring, received a huge welcome: on Baltic Sea Day, approximately one million Baltic Sea Fish Fingers were served in schools and kindergartens. The amount of phosphorus removed from the nutrient chain by two bags of Baltic Sea Fish Fingers would grow roughly one kilo of algae in the sea if left in the water. Sustainable food choices do matter!

Last year, we announced our approximately EUR 2 million investment in the production line of the Pudasjärvi frozen pizza plant. The investment will bring significant improvements to the taste and quality of our frozen pizzas. It is also a clear indication of the company's focus on domestic work, production and products.

We launched a major new product right at the beginning of 2022. The BlackGrain rapeseed ingredient was now used for the first time in a commercial product as Apetit Vegetable Ball was launched for professional kitchens. BlackGrain is an excellent source of plant protein and its raw material is available in domestic fields.

NET SALES

61.5

EUR MILLION

EBITDA

9.2

EUR MILLION

OPERATING PROFIT

5.9

EUR MILLION

PERSONNEL

232

EMPLOYEES

Apetit's Food Solutions business is responsible for the production of Apetit's frozen vegetables, frozen foods and frozen pizzas. Frozen vegetables and frozen foods are produced in Säkylä and frozen pizzas in Pudasjärvi. In addition to products under its own Apetit brand, Apetit manufactures products for private labels. The main market for frozen vegetables and frozen foods is Finland but products are also exported to Sweden and Italy, for example. The customer base consists of customers in retail trade, the Food Service sector and the food industry.

OILSEED PRODUCTS

TERO HEIKKINEN, DIRECTOR, OILSEED PRODUCTS

The cultivation area of oilseed plants in Finland grew by almost 50 per cent from the previous year. The share of autumn rapeseed has also increased. They yield higher harvests than spring oilseed plants and often have more modest challenges with pests. Autumn oilseed plants also increase vegetation cover in fields during the winter.

Our work to increase the degree of domestic origin in oilseed plants continues. We have increased the number of our contract growers and contract cultivation area. We also contribute to improving harvest levels. We take part in the RypsiRapsi2025 project, aiming to find the best cultivation practices and develop harvest levels. We have also organised oilseed plant training sessions and launched RapsiApp, a mobile application for sharing up-to-date information related to the cultivation of oilseed plants.

The bioenergy plant built at the Kantvik vegetable oil milling plant was put into production in late 2021. We can now cover the milling plant's energy needs mainly with renewable resources. The bioenergy plant can also use production side streams, such as the straw that comes with seeds.

In autumn 2021, the small-scale production of the BlackGrain from Yellow Fields rapeseed ingredient started. Thanks to its characteristics, BlackGrain is suitable for a wide range of products offering a new and easily approachable domestic plant protein option for the food industry.

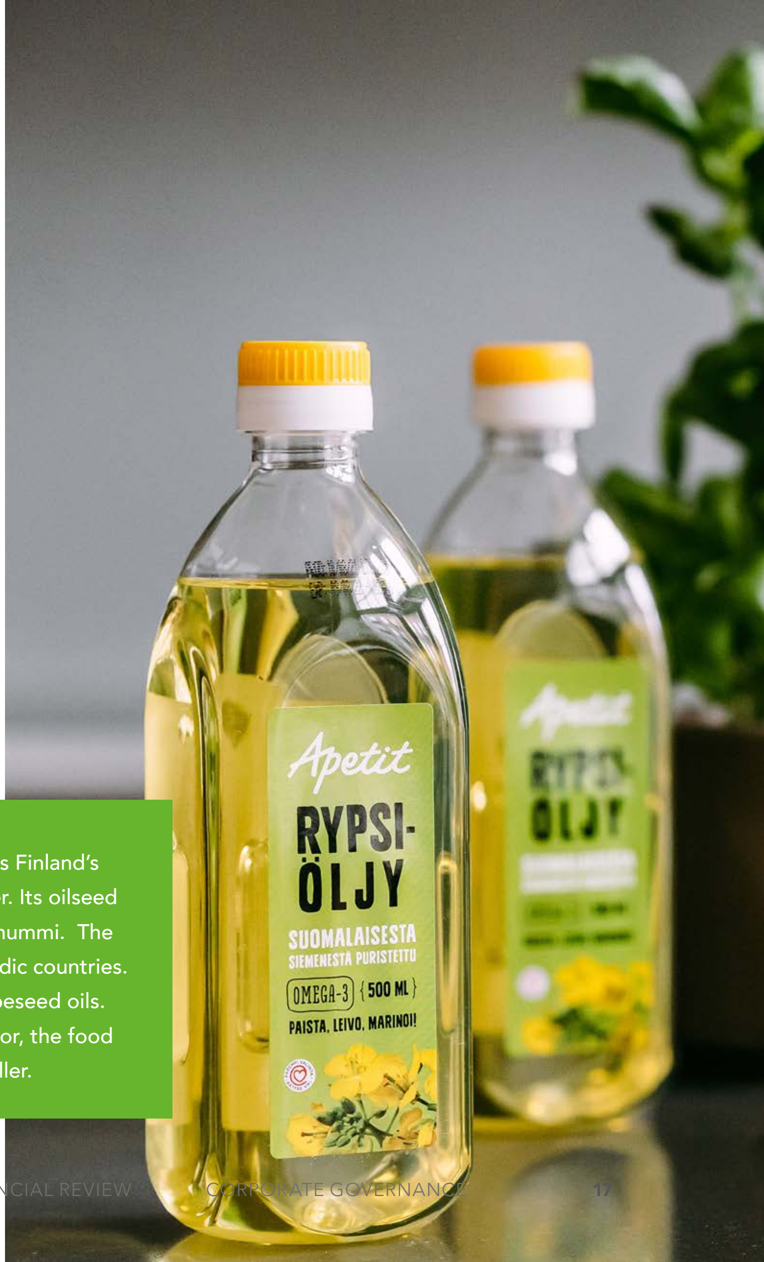
NET SALES
88.1
EUR MILLION

EBITDA
3.4
EUR MILLION

OPERATING PROFIT
2.0
EUR MILLION

PERSONNEL
42
EMPLOYEES

Avena is responsible for Apetit's Oilseed Products business and is Finland's most significant producer of vegetable oils and rapeseed expeller. Its oilseed products are produced in its vegetable oil milling plant in Kirkkonummi. The main markets for oilseed products are Finland and the other Nordic countries. Avena's best-known consumer products are Apetit and Neito rapeseed oils. Other Oilseed Products customers include the Food Service sector, the food industry and the animal feed industry, which uses rapeseed expeller.



OUR BUSINESS

GRAIN TRADE

TERO HEIKKINEN, DIRECTOR, OILSEED PRODUCTS

Avena is Finnish farmers' knowledgeable partner and works for the best harvest.

In these exceptional times, the lack of encounters with farmers has been a challenge for the operations. This is why, in 2021, we launched Farmer's Avena Berner's VABinars, online events where we could interact with farmers and provide them with up-to-date tips related to cultivation and trade. Arranged in both Finnish and Swedish, VABinars have attracted many viewers both live and as recordings.

We also produced a grain trade publication series in social media and other communication channels to compensate for the lack of face-to-face meetings with farmers.

The growing season 2021 was challenging. Sowing was delayed due to the rainy spring, while the summer's heat and drought reduced the harvest levels. The challenges were also reflected in the poor quality of the grain harvest. In the end, the grain harvest of 2021 was the lowest in the 2000s, about 30 per cent less than the average harvest over the last 10 years.

It is precisely in these times that our partnership with domestic farmers, based on strong expertise, is particularly important. Through cooperation, we can promote our goals related to the development of domestic cultivation, despite the many challenges.

NET SALES
164.5
EUR MILLION

EBITDA
-2.0
EUR MILLION

OPERATING PROFIT
-3.0
EUR MILLION

PERSONNEL
51
EMPLOYEES

Avena is responsible for Apetit's Grain Trade business. The company operates actively in the market for grains, oilseeds and raw materials for feeds, both in Finland and abroad. Avena is a significant exporter of Finnish grains and a reliable partner for farmers, the food industry and the animal feed industry. Avena has a strategic partnership with Farmer's Berner; the co-operation is carried out under the name of the Farmer's Avena Berner.

APETIT AS AN INVESTMENT

1 The overall demand for plant-based eating is growing globally. The megatrends of well-being, health and sustainability are permanent reasons for people to put more plant-based products on their plate.

2 Strong brand: Apetit is the category leader in domestic frozen vegetable products and frozen foods as well as vegetable oils in Finland. Apetit's strategy is focused on businesses in which the competitive advantage is based on Apetit's core strengths and the management of the value chain.

3 The unique value chain and developing partnerships with farmers ensure high-quality and sustainably produced raw materials and their availability for Apetit products.

4 Apetit is a stable investment that is resilient to economic cycles and has an active dividend policy. Apetit's high equity ratio and low debt further improve the stability of business and enable investments in its growth and development.

RESPONSIBLE ACTIONS

Apetit's corporate responsibility emphasises climate-responsible everyday actions as we build a sustainable food supply chain through various value chains.

SUSTAINABLE FOOD CHOICES

Our consumption habits and choices play a significant role in the promotion of sustainable development. Food is a necessity that features prominently in both daily life and special occasions.

By making sustainable food choices, we can contribute to the sustainable consumption of the Earth's finite natural resources from the perspective of the climate, the environment and human well-being.

This is why we want to promote sustainable food choices: we offer sustainably grown and produced food products and ingredients while developing a value chain that supports the well-being of people and the environment.

Goal-driven sustainability efforts

Apetit's operations are built around domestic sourcing and production, sustainable food solutions and ingredients as well as responsible operating methods.

Responsibility runs through the entire value chain of our operations, from the well-being of the environment to human well-being. This is reflected in our mission: Good food for everyone. Locally.

At Apetit, responsibility is part of the company's strategy and day-to-day operations: Apetit's corporate responsibility emphasises climate-responsible everyday actions as we build a sustainable food supply chain through various value chains.

In cooperation with stakeholders

We have a strong commitment to domestic primary production. We develop sustainable cultivation methods in cooperation with our contract growers to ensure the continued availability of domestic vegetables and other plant-based ingredients in the future.

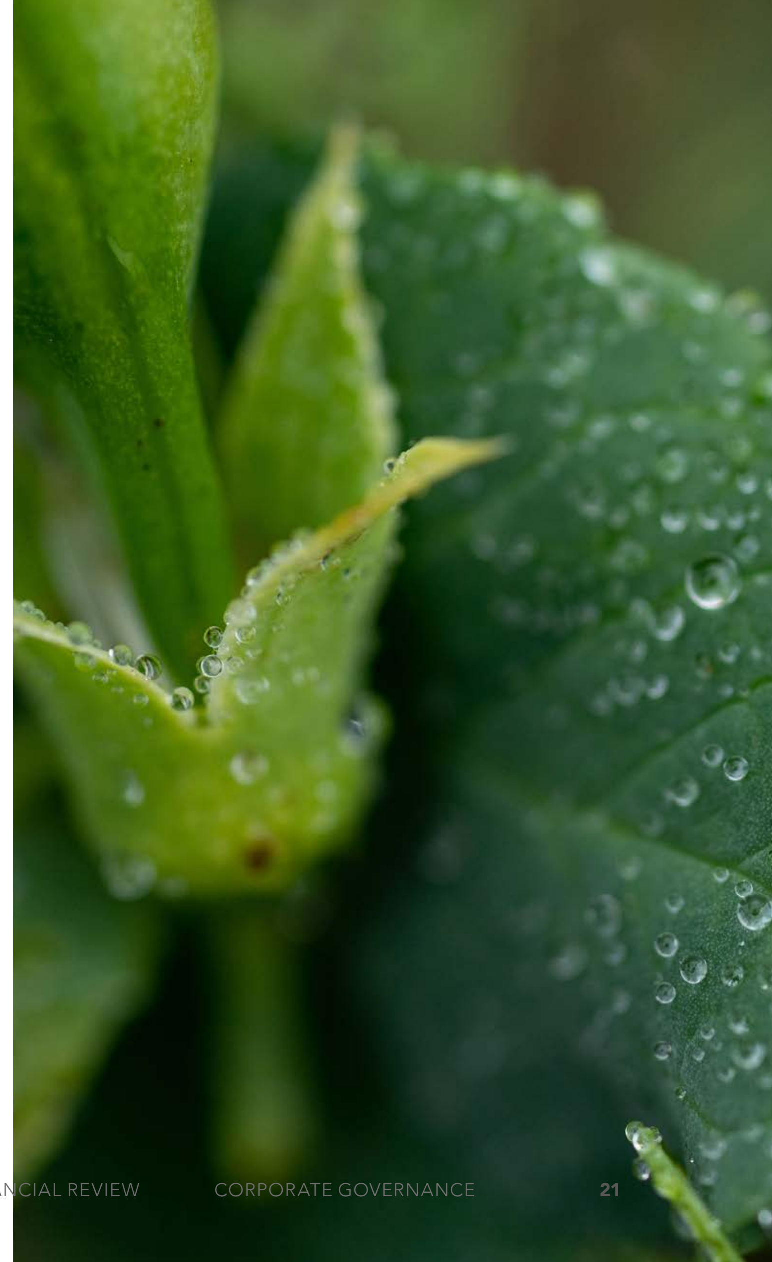
We believe that a diverse environment, healthy soil and farmers who look after it are our best partners in food production.

In everything we do, we also want to ensure that sustainable operating methods and our ethical principles are realised throughout the value chain. We want to be a responsible employer and a reliable partner for all of our stakeholders.

Sustainable actions

In our operations, we focus on reducing our climate impacts especially by investing in renewable energy solutions as well as by developing energy efficiency and material efficiency.

In our products, we rely on domestic plant-based food solutions and their development, growing our range of products based on local fish as well as packaging solutions that are sustainable and fit for their purpose.



CORPORATE RESPONSIBILITY PROGRAMME – OUR TARGETS UNTIL 2025

Cultivation development and contract farming

GOAL
We will promote sustainable cultivation methods in selected research projects and our own development efforts with the aim of promoting natural soil fertility and carbon farming.

The climate impacts of operations

GOAL
We will systematically reduce the climate impacts of our operations.

Products and packaging solutions

GOAL
We will focus particularly on domestic vegetables and local fish – sustainably packaged.

Social impacts

GOAL
We are a responsible partner and employer.

Cultivation development and contract farming

- We will expand our existing cultivation methods that improve natural soil fertility and promote carbon farming as well as develop new cultivation methods to this end.
- We will train our contract farmers (100%) on practices that improve natural soil fertility.

HOW ARE WE DOING

Research projects at the Räpi experimental farm on the improvement of natural soil fertility, among other things; the updated Baltic Sea Commitment to promote carbon farming.

We have an impact to the following SDGs:

We can increase our contribution to the following SDGs:

The climate impacts of operations

- We will reduce our direct CO_2 emissions by 75%* by transitioning to energy solutions based on renewable resources and by improving energy efficiency.
- We will reduce waste at our frozen foods plants: we will develop our material efficiency and promote the recovery and reuse of side streams.

HOW ARE WE DOING

- Scope 1&2 emissions reduced by 56 per cent from the comparison year 2019.
- The bioenergy plant at the Kantvik vegetable oil milling plant comissioned in 2021.
- Investments made at the Säkylä plant improved energy efficiency, reduced water consumption and improved significantly material efficiency in harvest season production.

We have an impact to the following SDGs:

Products and packaging solutions

- We will maintain the degree of domestic origin of our frozen products (80%) and plant-based ingredients (95%) at least at the current level.
- We will increase the share of local fish caught in the Baltic Sea and Finnish lakes to 20** per cent of our total use of fish.
- We will increase the recycling rate of the packaging materials of Apetit products sold through retail channels to 100 per cent.***

HOW ARE WE DOING

- The degree of domestic origin was 79 per cent and the share of plant-based ingredients 96 per cent.
- The share of local domestic fish was 19 per cent of our total use of fish.
- The recyclability of packaging materials is being increased and the recycling rate is 67 per cent.

We have an impact to the following SDGs:

We can increase our contribution to the following SDGs:

Social impacts

- We only use suppliers that have signed our Supplier Code of Conduct in direct raw material procurement for our processing operations.
- We will develop Apetit as an employer that is perceived by our personnel as an equal and fair workplace where it is safe to work and where employees are given space to participate in development efforts as well as develop themselves as professionals.

HOW ARE WE DOING

The number of occupational accidents has increased from the comparison year's figure, average employee satisfaction rate was 4.0 (out of 5).

We have an impact to the following SDGs:

*Comparison year 2019: Scope 1&2 emissions
**In 2020: 11%
***In 2020: 60%

CLIMATE IMPACTS OF FOOD PRODUCTION

Food production and food consumption cause approximately one fifth of the carbon footprint, or climate impacts, of all consumption. Primary production and the food industry carry out continuous development work to reduce the environmental and climate impacts of food production. Apetit is committed to reducing its climate impacts by 75 per cent by 2025.

In the food product chain, primary production accounts for the largest share of emissions. Of Apetit Group's direct and indirect (Scope 1–3) emissions, approximately 65 per cent comes from purchased raw materials and services and less than 5 per cent from the Group's own direct operations.

In its operations, Apetit concentrates on plant-based food solutions and cooperates with both contract growers and researchers to reduce the environmental impacts of farming. Apetit's production plants have reduced their environmental impacts by increasing the share of renewable energy sources and developing energy efficiency, for example.

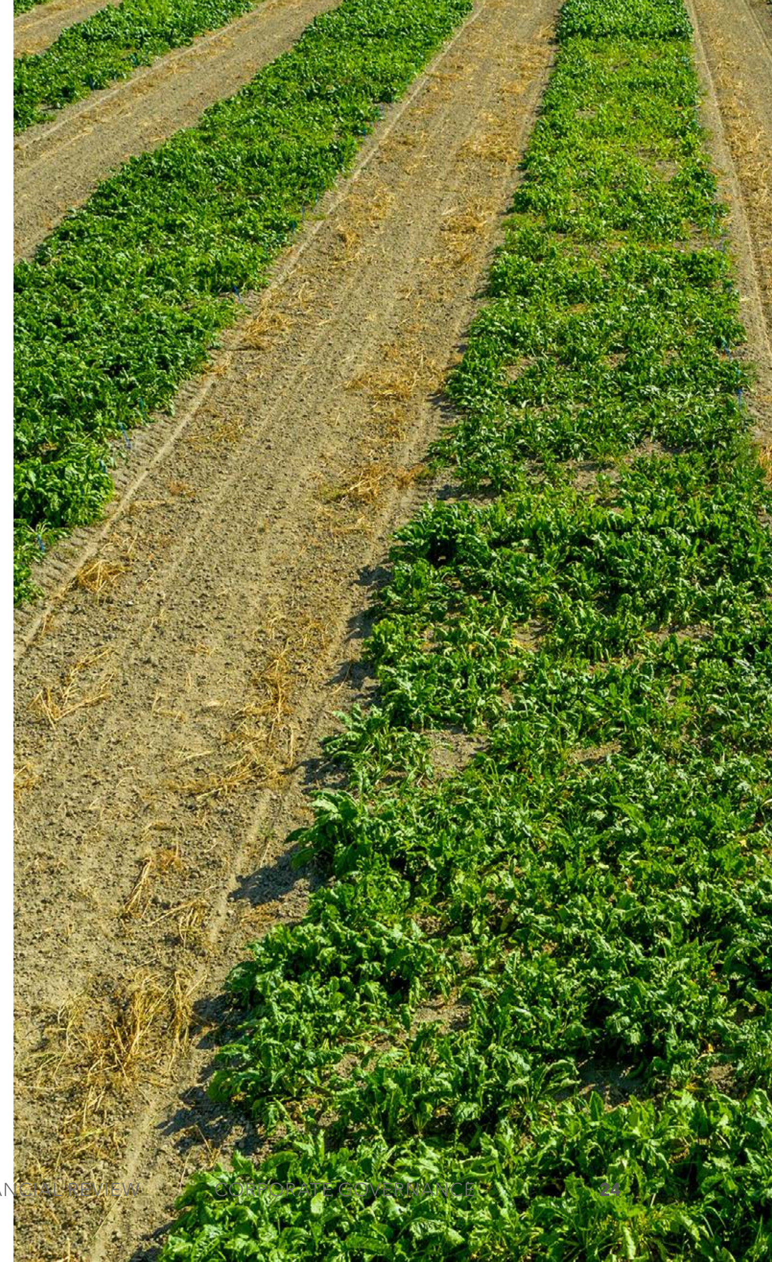
Apetit has determined the climate impacts of some of its products

Apetit has determined the environmental footprint of some of its selected products. The study conducted in 2020 calculated the carbon footprint, eutrophication effect and water footprint of Apetit Lakefish Fingers, Apetit Peas and Apetit Potato&Soup Vegetables. In 2021, the carbon footprint of Apetit's domestic rapeseed oil was calculated. Apetit commissioned the studies from the Natural Resources Institute Finland.

The study results provide a clear picture of how the climate impacts of Apetit's products come about. For example, the climate impacts of root vegetable cultivation are small, which increases the role played by the heat and electricity that is used for washing, peeling and freezing root vegetables at Apetit's production facilities. In rapeseed oil, the impacts of cultivation account for 87 per cent of the climate impacts of the product.

Consequently, the essential aspects in Apetit's work to reduce its climate impacts are the development of cultivation methods, the improvement of the harvest level especially when it comes to oilseed plants, energy efficiency in production and the utilisation of renewable energy sources.

The results are discussed in more detail on the next pages.



ENVIRONMENTAL FOOTPRINT OF APETIT PRODUCTS

PRIMARY PRODUCTION

15 % Potatoes& vegetables for soup

52 % Peas

12 % Lakefish fingers

PROCESSING

74 % Potatoes& vegetables for soup

32 % Peas

31 % Lakefish fingers

49 % Lakefish fingers, other raw materials

PACKAGING & LOGISTICS

11 % Potatoes& vegetables for soup

16 % Peas

8 % Lakefish fingers

	Primary production	Processing	Packaging & logistics
PEAS AND POTATOES& VEGETABLES FOR SOUP	• Inputs and cultivation measures: seeds, pesticides, fertilizers • Fuel consumption related to cultivation measures and harvesting	• Washing, peeling, chopping and sprouting vegetables • Freezing • Sewage and waste disposal	• Used packaging materials • Transportation and storage
LAKEFISH FINGERS	• Fishing (fuel used by the fisherman, possible refrigeration equipment) • Production off fish paste	• Adding other raw materials, from paste to fish fingers • Cooking • Freezing	• Used packaging materials • Transportation and storage

CARBON FOOTPRINT:

Potatoes&vegetables for soup:
0.89 kg CO_2-eq

Peas:
0.75 kg CO_2-eq

Lakefish fingers:
2.0 kg CO_2-eq

Apetit determined the carbon footprint of rapeseed oil

Apetit carried out a carbon footprint study for domestic rapeseed oil. The carbon footprint of the Apetit rapeseed oil sold in PET plastic bottles through retail channels is 2.7 kg CO_2 equivalent per kg. Up to 87 per cent of climate impacts are generated by primary production. The relatively high share of primary production in the carbon footprint of rapeseed oil is partly explained by the natural harvest level of oilseed plants.

The share of the Kantvik vegetable oil milling plant, i.e. oil processing, in the product’s climate impacts was very small (3 per cent). This is due in particular to the high share of renewable energy resources used at the milling plant and the plant’s energy efficiency. Packaging and bottling account for 10 per cent of the product’s climate impacts. The carbon footprint was also calculated for the Neito rapeseed oil in glass bottles: the carbon footprint of this product was approximately 7 per cent higher due to the different packaging.

According to the study results, the most significant climate impacts of rapeseed oil during its life cycle come from primary production. Avena, responsible for Apetit Group’s Oilseed Products business, takes part in the RypsiRapsi2025 project, which aims at finding and spreading the best cultivation practices and developing harvest levels.

The carbon footprint of domestic rapeseed oil was calculated, as far as possible, using the figures of Apetit’s own value chain, i.e. primary data. Five-year cultivation data were used in the calculation of the climate impacts of domestic rapeseed cultivation. Apetit commissioned the study from the Natural Resources Institute Finland.

PACKAGING AND BOTTLING

10%

LOGISTICS

>1%

OIL PROCESSING

3%

PRIMARY PRODUCTION

87%

> The small share of the oil milling plants processes in the product's climate impacts is due to high energy efficiency and high share of renewable energy sources.

CORPORATE RESPONSIBILITY AT APETIT

Apetit's corporate responsibility consists of concrete actions taken at different stages of the company's value chain to ensure responsible and sustainable food production. Indeed, sustainable actions is one of the strategic choices in Apetit's strategy.

Apetit's key areas of corporate responsibility are the development of growing methods, the climate and environmental impact of operations, material and raw material efficiency, sustainable packaging solutions, the responsible production of plant-based products, the minimisation of food waste, and occupational safety. The implementation of Apetit's ethical principles and equality both in its own and in its stakeholders' operations is also a key area.

Apetit's sustainability work is based on its values, mission and vision. The sustainability work is guided by Apetit's Code of Conduct and operating policies, as well as its procurement principles and sustainability policies, which are based on the UN Global Compact initiative. At Apetit sustainability is part of the company's strategy and sustainability is part of daily operations.

Climate work at Apetit

Apetit Group has identified the reduction of its climate impacts as one of the material aspects of its corporate responsibility. In the Group's corporate responsibility programme, Apetit is committed to reducing its Scope 1&2 emissions by 75 per cent by 2025.

Climate risks and opportunities

During 2021, Apetit carried out a study on the risks and opportunities related to climate change in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). Considering the whole business of the Group, the main risks related to climate change are associated, through physical risks, with the cultivation and sourcing of vegetable raw materials. The most significant opportunities are related to reducing the climate impacts in terms of resource efficiency and renewable energy sources and in particular to ensuring that the product portfolio supports climate-friendly consumption.

-56%

CO_2 EMISSIONS (SCOPE 1&2) REDUCTION FROM 2019.

> "At Apetit, we approach corporate responsibility with concrete actions and sustainable food solutions - throughout our entire value chain."

- Sanna Väisänen,
Corporate Communications and Sustainability Director

Cultivation and its development

Apetit is firmly rooted in Finnish primary production. Apetit's approximately 140 contract growers cultivate over 30 million kilos of domestic vegetables for Apetit's Säkylä frozen foods plant. The Kantvik vegetable oil milling plant uses as much domestic raw materials as possible. The long-term goal is to use 100 per cent Finnish rapeseed raw material.

Apetit is Finland's largest procurer of contract-grown field vegetables. The majority of vegetables used at Apetit's Säkylä frozen foods plant come from Finnish contract growers within an approximately 100-km radius of the Säkylä plant. The contract growers comply with the responsible farming practices that are continuously developed by Apetit. They cover general farming principles, plant-specific cultivation instructions as well as management of quality, product safety and environmental issues. The responsible farming practices are developed at Apetit's Räpi experimental farm. For example, as part of Apetit's responsible farming practices, use of fertilisers is based on soil studies, preceding rotation crops and the crop being cultivated to ensure that fertiliser use is restricted to the amount required by the crops.

The contract growers record cultivation measures in a cultivation register. This information can be used for traceability, the development of cultivation methods and the verification of environmental impacts, for example. The development of sustainable cultivation methods plays a key role in the reduction of Apetit's environmental impacts.

Avena, responsible for the Group's Oilseed Products business, campaigns strongly to promote the cultivation of oilseed plants in Finland. The benefits of oilseed plant cultivation include, among other things, an increasing versatility of crop rotation, oilseed plants' role as good preceding rotation crops and the extension of the vegetation cover period with winter rapeseed. Avena has also developed a contract farming model for oilseed plants to increase direct procurement.

In 2021, the field vegetable growing season was challenging. The rainy season at the end of May delayed some of the sowing, while later in the summer, heat and drought posed challenges, particularly for spinach and pea cultivation. For root vegetables, the harvest targets were met. The domestic oilseed plant harvest almost doubled from the previous year as the cultivation area increased. However, the harvest fell short of the 10-year average. The cultivation area of autumn oilseed plants more than doubled. The domestic grain harvest in 2021 was the smallest in the whole of the 2000s: nearly 30 per cent smaller than the average grain harvest in the last ten years.

79%

OF RAW-MATERIALS FOR FROZEN PRODUCTS FROM FINLAND

27%

OF OILSEEDS FROM FINLAND

GOALS OF THE RESPONSIBILITY PROGRAMME

We will expand our existing cultivation methods that improve natural soil fertility and promote carbon farming as well as develop new cultivation methods to this end.
Research projects at the Räpi experimental farm on the improvement of natural soil fertility, among other things; the updated Baltic Sea Commitment to promote carbon farming.

We will train our contract farmers (100%) on practices that improve natural soil fertility.
Trainings planned for 2022.

CASE APETIT UPDATED ITS BALTIC SEA COMMITMENT – WORK ON CULTIVATION DEVELOPMENT CONTINUES AT RÄPI

In December 2021, Apetit updated its Baltic Sea Commitment made to the Baltic Sea Action Group in 2019. With the update, the commitment expanded from fields to waterways and now covers the increase of the use of local domestic fish in Apetit's product range. The commitment further strengthens Apetit's investment in the productisation of local fish and its mission to increase the use of local fish.

Already before this, Apetit's commitment has focused on producing at the Räpi experimental farm information that can be used in the contract farming of field vegetables, particularly when it comes to natural soil fertility improvement and carbon sequestration.

In addition to the Baltic Sea Commitment, several projects are under way at the Räpi experimental farm, one of which is Pyhäjärvi Institute's Green Future of Satakunta project, which aims at the development of domestic cauliflower and pulse cultivation. Through development work, Apetit's goal is to further increase the degree of Finnish origin in its own products. The preliminary results for the first cultivation season were promising.

Pure Finnish food - Apetit Responsible farming method

Apetit

Demand for raw material in harvest season

Inquiry to growers of willingness to grow

APETIT´S AGRICULTURAL RESEARCH AT RÄPI EXPERIMENTAL FARM
- Methods that support sustainable cultivation ecosystems
- Varieties suitable for outdoor growing in Finland
- Cooperation with growers, educational institutions and research institutes

APETIT'S CULTIVATION EXPERTS
Continuous communication and advisory

Delivery to Apetit → Production → Packaging → Customer

PURE FINNISH FOOD

Contract growers

AGREEMENT TO GROW
Cultivated plants and quantities, field sections to match right plants

CONTRACT GROWING
- 140 contract growers
- Most of are located within a radius of 100 km from Säkylä
- Growing contracts for one year period

RESPONSIBLE FARMING
Plant-specific cultivation instructions and measures are implemented specific to each field section in organic farming and traditional farming

PRINCIPLES
Quality, environment, cleanliness, safety

Harvest

GROWER-SPECIFIC BATCH CODE
Traceability of vegetables all the way back to the farm

TO NEW GROWING SEASON

VIRE - CONTRACT GROWER DATA SYSTEM TO FURTHER DEVELOP CULTIVATION

HISTORICAL CULTIVATION DATA TO FURTHER DEVELOP CULTIVATION
- Soil information
- Previously cultivated plants
- Previous cultivation measures
- Previous years' results

DOCUMENTATION OF SECTION-SPECIFIC DATA
- Preceding crops and crop rotation
- Fertility data
- Grown varieties
- Soil improvement
- Fertilisation
- Cultivation measures

RECEPTION OF HARVEST
- Inspection of documented cultivation procedures
- Each batch is issued with its own specific code
- Traceability of vegetables to the specific field section

Partner for farmers

Apetit is committed to promoting Finnish primary production because of its safety, purity and high quality. Each year, approximately 80 per cent of Apetit's frozen vegetables come from its Finnish contract growers. There has already been close cooperation with nearby farmers for decades. Apetit also cooperates with other parties in various research and other projects related to cultivation methods at its Räpi experimental farm.

Avena, responsible for Apetit Group's Oilseed Products and Grain Trade businesses, is Finland's largest producer of vegetable oils and a partner of Finnish farmers in all matters related to the grain and oilseed trade. Avena uses domestic rapeseed to as large an extent as possible at its vegetable oil milling plant and is systematically seeking to increase vegetable oil production in Finland in cooperation with growers and operators over the long term. For example, it has updated the contract farming model to promote oilseed plant cultivation.

Farmer's Avena Berner is farmers' knowledgeable partner in grain and oilseed trade and in the use and procurement of agricultural production inputs. Avena is a significant exporter of Finnish grains.

Finnish food production provides employment to roughly 340,000

Agriculture and the food industry provide employment to roughly 340,000 people in Finland, of whom more than 70,000 work in primary production and 35,000 in the food industry. Approximately 10 per cent of taxes paid in Finland and 5 per cent of investments come from this sector. Agriculture creates EUR 1.2 billion in value added. The entire food sector generates more than EUR 15 billion per year in value added for the national economy.*

*Source: hyvaasuomesta.fi

Purchases from Finnish growers, EUR million	2021	2020	2019	2018
Harvest season vegetables	4.3	4.8	5.3	4.9
Oilseeds	10.7	6.9	8.7	9.8
Grain Trade	43.9	50.3	41.4	47.9
Total	58.9	62.0	55.4	62.6

> "The number of contract growers and cultivation area of oilseeds has grown. We want to promote best farming practices and harvest levels."
>
> - Perttu Korolainen, Procurement Manager

CASE

THE CULTIVATION AREA OF OILSEED PLANTS GREW

MORE WINTERTIME VEGETATION COVER WITH AUTUMN OILSEED PLANTS

In 2021, the cultivation area of rapeseed rose to almost 38,000 hectares. This constituted a significant increase from 2020, when the cultivation area was 24,600 hectares. Apetit invests in the cultivation and sourcing of domestic raw materials: increasing the contract farming of oilseed plants and developing cultivation practices in cooperation with farmers play an important role in both spring and autumn oilseed plants. When it comes to rapeseeds used at the Kantvik vegetable oil milling plant, the degree of Finnish origin was 27 per cent.

In 2021, the cultivation area of autumn oilseed plants was approximately 8,000 hectares, which was considerably more than in 2020, when the cultivation area was around 3,500 hectares. The cultivation of autumn oilseed plants increases the wintertime vegetation cover of the fields, which in turn contributes to carbon and nutrient sequestration. The cultivation of autumn oilseed plants also makes it possible to utilise the growing season in its entirety.

Procurement principles

Apetit invests strongly in cooperation with Finnish primary production and sources around 80 per cent of all of the food raw materials used in its frozen vegetables and frozen foods directly from its contract growers. In addition, Apetit uses raw materials sourced as direct procurement from Finland and abroad.

In its sourcing responsibility principles, Apetit has defined the statements required from suppliers regarding the management and realisation of social and environmental responsibility. The statement requirements vary according to the raw material's country of origin and significance. Apetit requires all its suppliers to know its value chain and the realisation of ethics as part of it.

Both Finnish and foreign direct suppliers are required to comply with Apetit Group's ethical supplier requirements. Apetit prefers long-term partnerships with its suppliers. Approximately 95 per cent of Apetit's frozen products are purchased from low-risk countries. Raw materials for oilseed products are sourced only from low-risk countries.

Apetit conducts supplier evaluation for its suppliers, utilizing both third-party audits and its own self-assessment survey. The supplier requirements cover both the suppliers' own operations and their value chain. Apetit Group requires that its suppliers commit to the principles of ethical, social and environmental responsibility documented in the Group's supplier requirements. Apetit Group's ethical supplier requirements are based on the guidelines of the UN's Global Compact initiative.

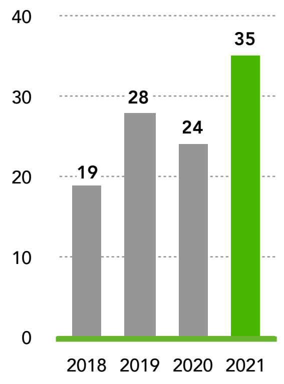
> It is important to Apetit to know its suppliers: we want to ensure the quality and ethics of our raw-materials.
>
> - Kirsi Nuorikkala, Procurement Manager

GOALS OF THE RESPONSIBILITY PROGRAMME

We only use suppliers that have signed our Supplier Code of Conduct in direct raw material procurement for our processing operations.

Purchases of food raw materials from Finnish suppliers, %	2021	2020	2019	2018
Frozen products	79	82	79	82
Oilseed products	27	29	37	53

Supplier audits, pcs

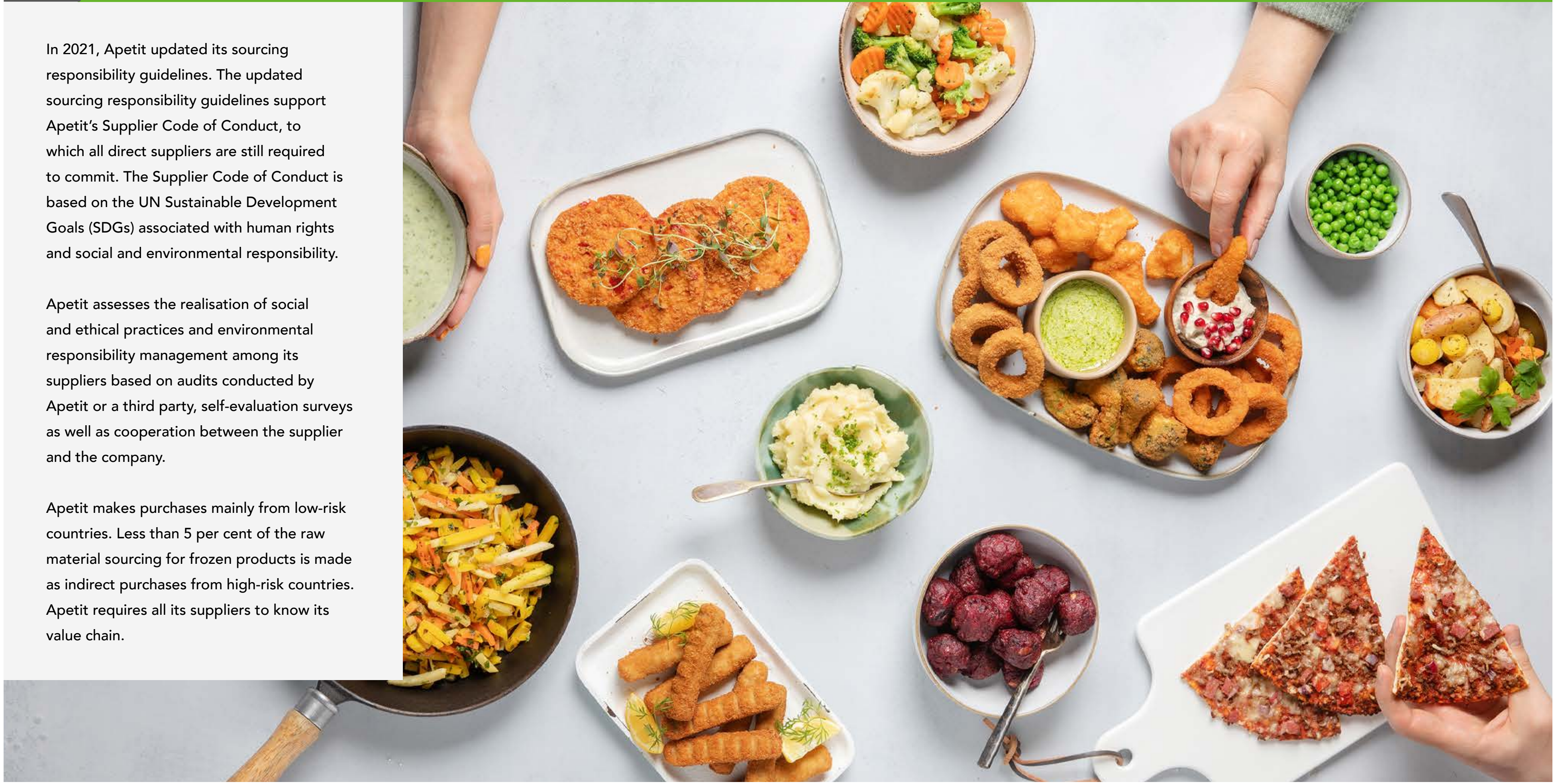


CASE APETIT UPDATED ITS SOURCING RESPONSIBILITY GUIDELINES

In 2021, Apetit updated its sourcing responsibility guidelines. The updated sourcing responsibility guidelines support Apetit's Supplier Code of Conduct, to which all direct suppliers are still required to commit. The Supplier Code of Conduct is based on the UN Sustainable Development Goals (SDGs) associated with human rights and social and environmental responsibility.

Apetit assesses the realisation of social and ethical practices and environmental responsibility management among its suppliers based on audits conducted by Apetit or a third party, self-evaluation surveys as well as cooperation between the supplier and the company.

Apetit makes purchases mainly from low-risk countries. Less than 5 per cent of the raw material sourcing for frozen products is made as indirect purchases from high-risk countries. Apetit requires all its suppliers to know its value chain.



Climate impacts

Apetit Group's most significant climate impacts related to its own operations arise from the production of the energy it uses. Energy is used especially in production, product processing and freezing. The most significant indirect impacts arise from the raw materials acquired. As the majority of raw materials used by Apetit are plant-based, the most significant emissions in the Group's value chain come from cultivation.

Put together, Apetit's direct (Scope 1) emissions, or so-called stack discharges, and indirect emissions from the generation of purchased energy (Scope 2) account only for around 3 per cent of the Group's total emissions. A significant proportion, around 97 per cent, of Apetit's emissions is generated in different parts of the value chain (Scope 3).

The most significant emission categories in the value chain are purchased products and services (67 per cent of all emissions) and downstream and upstream transport-related emissions (22 per cent). In 2019–2021, emissions have also been caused by long-term investments (approx. 5 per cent), including emissions from the construction of the bioenergy plant at the Kantvik vegetable oil milling plant and the construction phase of the Säkylä frozen foods plant's patty production line.

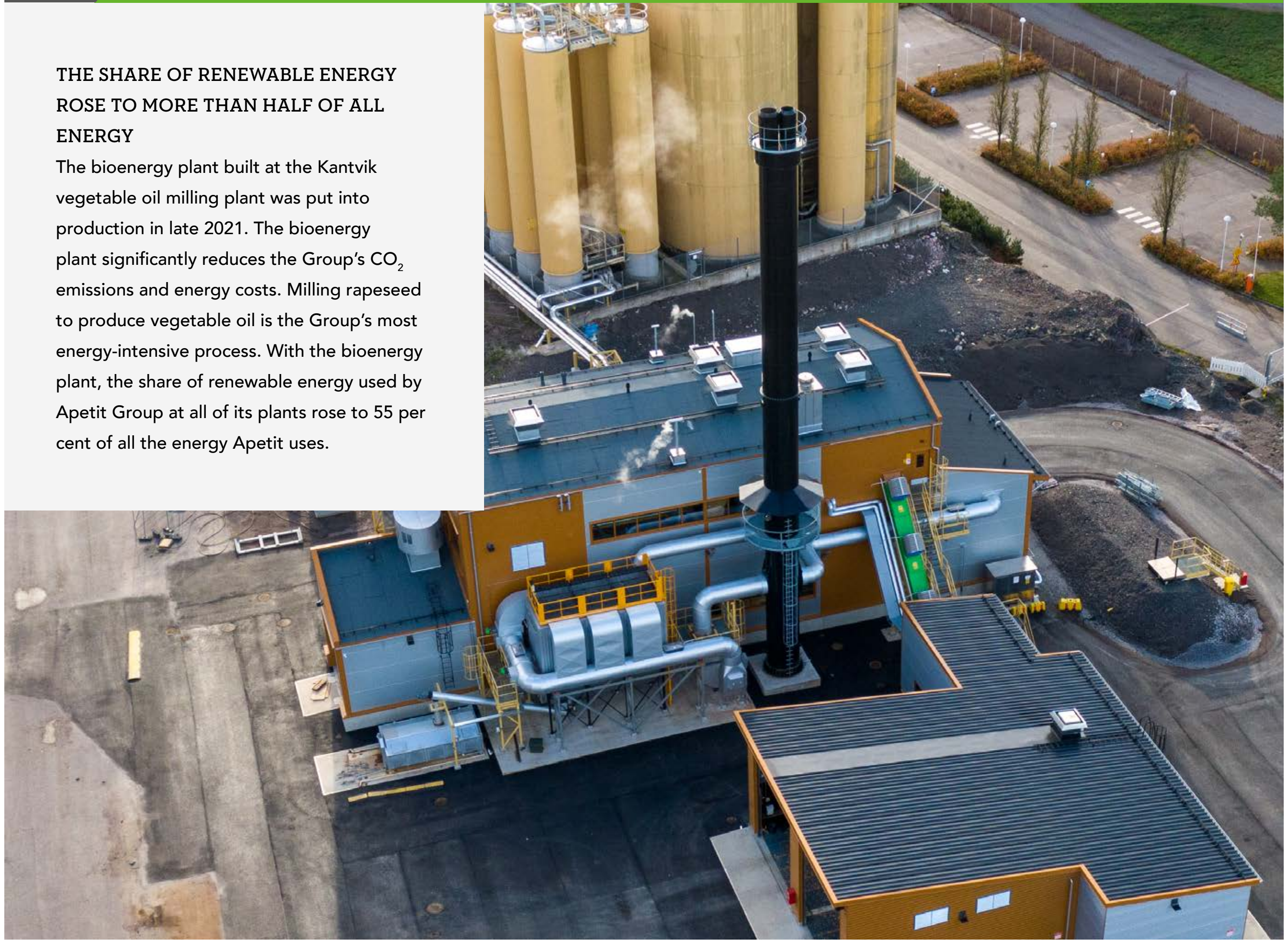
Reduction of climate impacts

The most essential ways in which Apetit can influence the Group's own direct emissions are the use of renewable energy solutions and the improvement of energy efficiency. In indirect emissions, Apetit's influencing opportunities can be found

CASE **KANTVIK BIOENERGY PLANT INTO PRODUCTION**

THE SHARE OF RENEWABLE ENERGY ROSE TO MORE THAN HALF OF ALL ENERGY

The bioenergy plant built at the Kantvik vegetable oil milling plant was put into production in late 2021. The bioenergy plant significantly reduces the Group's CO_2 emissions and energy costs. Milling rapeseed to produce vegetable oil is the Group's most energy-intensive process. With the bioenergy plant, the share of renewable energy used by Apetit Group at all of its plants rose to 55 per cent of all the energy Apetit uses.



especially in the development of cultivation methods and harvest levels.

The Kantvik bioenergy plant, commissioned in late 2021, significantly reduces the fossil energy sources used at the Kantvik vegetable oil milling plant. The bioenergy plant uses woodchips and production side streams, among other sources, to produce steam for the needs of the vegetable oil milling plant. All Apetit Group production facilities also use electricity produced with wind power. The use of energy produced with renewable natural resources and the development of energy efficiency have reduced the carbon footprint of Apetit Group's Scope 1&2 emissions by 56 per cent from 2019.

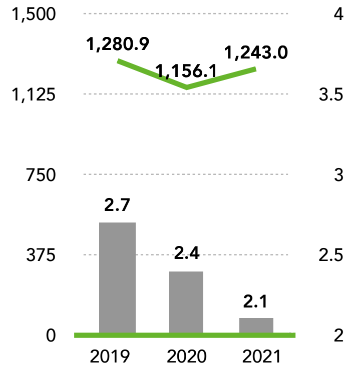
Apetit carries out continuous development work in cooperation with Finnish farmers to reduce the climate impacts of primary production. Apetit is involved in field vegetable research cooperation at its Räpi experimental farm as well as in oilseed plant research cooperation, which aims at raising harvest levels by promoting the best cultivation practices.

GOALS OF THE RESPONSIBILITY PROGRAMME

We will reduce our direct CO_2 emissions by 75% by transitioning to energy solutions based on renewable resources and by improving energy efficiency.
Direct CO_2 emissions reduced by 56 per cent from the comparison year 2019.

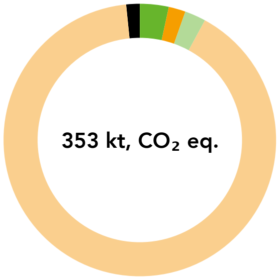
> At 2021, we only used renewable energy sources at the Pudasjärvi frozen pizza plant.
>
> \- Pia Ervasti, Manufacturing Manager

Intensity of direct and indirect CO_2 emissions (Scope 1-3)



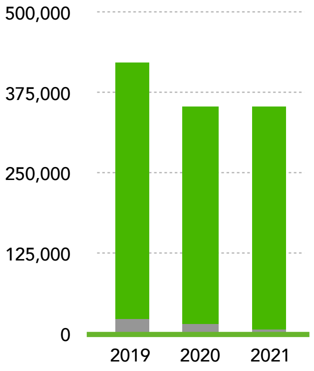
Tonne CO_2-eqv/per net sales
Tonne CO_2-eqv/per produced tonne

Climate impacts of food production chain



- Own operations' direct and indirect emissions (Scope 1-2) 3%
- Logistics (upstream & downstream) 2%
- Waste from production, disposal of packagings, food waste from end users 3%
- Primary production, food raw-materials 90%
- Packaging materials 2%

Climate impacts, CO_2 emissions, tonne CO_2-eqv.



Scope 1&2
Scope 3

CLIMATE IMPACTS OF APETIT'S VALUE CHAIN

Apetit has calculated the direct emissions of its own operations (Scope 1&2) as well as the indirect emissions of the value chain (Scope 3) according to the GHG Protocol. The calculation has been carried out taking into account the relevant Scope 3 categories and based on operational control.

More than 95 per cent of Apetit Group's emissions come from the indirect emissions of the value chain. The most significant emission category is purchased products and services, which account for more than 65 per cent of the Group's total emissions. Logistics account for about one fifth of all emissions.

Apetit's own direct emissions (Scope 1&2) have decreased by 56 per cent since the comparison year 2019. The reduction has been achieved due to introduction of electricity generated with wind power, the commissioning of the Kantvik bioenergy plant and the improvements in energy efficiency.

The Group's total emissions have decreased by approximately 15 per cent from the comparison year 2019. The most significant change has taken place in the Group's own direct emissions.

SCOPE 2

Indirect emissions

- Purchased energy (steam, electricity, heat)

8,463 t CO_2 EQ, 2%

SCOPE 3

Upstream: indirect emissions

- Purchased goods and services
- Capital goods
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting

262,532 t CO_2 EQ, 74%

SCOPE 1

Direct emissions

- Direct emissions from company facilities
- Company vehicles and work machines

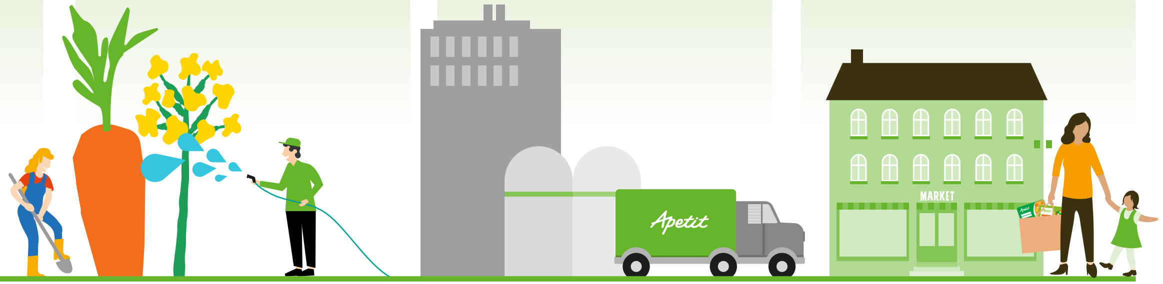
1,474 t CO_2 EQ, 1%

SCOPE 3

Downstream: indirect emissions

- Downstream transportation and distribution
- Use of sold products
- End-of-life treatment of sold products

80,547 t CO_2 EQ, 23%



Environment and biodiversity

The impacts of Apetit's operations on environment and biodiversity arise mainly indirectly from the primary production of food and the production of other materials and the utilization of the natural resources used for them.

Examples of natural capital goods used by Apetit include clean and nutrient-rich soil, clean water, crops and seeds, wild fish as well as wood and other wood fibres. Apetit's operations depend on the maintenance of air and soil quality, the availability of clean water and the maintenance of biodiversity. Apetit has also identified risks related to climate change in its operations.

The environmental impacts of the operations generated by Apetit's entire value chain are related to all natural capital dependencies. Acquisitions related cultivation and other raw materials have an impact on the soil, for example through changing land use. The climate impacts of operations also result mainly from cultivation. Apetit's impacts on waterways are caused, for instance, by nutrient runoffs from cultivation and waste streams and wastewater from plants.

In Apetit Group, environmental management is based on environmental legislation, current environmental permits and for environmental systems that are used on production sites. Some of Apetit's production operations require an environmental permit.

Apetit's own operations and value chain: dependencies and the use of natural capital

PRODUCTION

- Products' food raw materials: crops and seeds, genetic resources, raw materials of animal origin.
- Other raw materials, e.g. wood fibres, fossil resources.
- Energy.
- Water.

NATURE-RELATED REGULATION AND MAINTENANCE

- Clean air and climate regulation.
- Clean and nutrient-rich soil and its quality maintenance.
- Waterway quality maintenance.
- Mitigation of pest damage.
- Pollination.
- Waste and wastewater treatment.
- Supporting biodiversity and the habitats of different organisms.

VALUES AND CULTURE

- Purity and origin of food.
- Versatile countryside landscape as part of the cultural value of food.

Apetit's environmental impacts/risks and opportunities

SOIL

Impacts:

- Land use changes (cultivation, wood- and fibre-based materials), impacts of cultivation on soil.
- Impacts of cultivation and soil changes on biodiversity.

Opportunities:

- Sustainable cultivation methods: regenerative and carbon farming, improvement of natural soil fertility.
- Sustainable use of certified and renewable natural resources.

CLIMATE

Impacts:

- Climate impacts from cultivation and land use, energy consumption (heat, steam), logistics chains and waste generated at different stages of the value chain.

Opportunities:

- Reduction and elimination of the use of fossil energy resources. Promotion of energy efficiency and the circular economy. Promotion of carbon farming.
- Promotion of a plant-based and sustainable diet, reduction of food waste.

WATERWAYS

Impacts:

- Impacts of cultivation on waterways (nutrient runoff) and their ecosystems, nutrient concentrations in the plants' wastewater and their impacts on aquatic organisms.

Opportunities:

- Increase in the use of local fish, reduction of the plants' water consumption. Use of certified and sustainable fish stocks.

The main environmental risks at Apetit's production plants are related to possible wastewater and vegetable oil leaks into the environment and to refrigerant leaks from freezing machinery. No environmental accidents occurred in Apetit's production operations in 2021.

Reducing environmental impacts

Apetit has identified opportunities to positively influence its environmental impacts. Research is being carried out at Apetit's Räpi experimental farm to promote sustainable cultivation methods and carbon farming and to improve soil fertility, among other things. The use of sustainable local fish stocks can also have a positive impact. Apetit reduces its direct climate impacts by improving energy efficiency and by switching to renewable energy sources. The investments made in brush scrubbers and steam peelers at Apetit's Säkylä plant will, for their part, significantly reduce water consumption and the use of steam.

CASE THE USE OF LOCAL DOMESTIC FISH HAS POSITIVE IMPACTS ON WATERWAYS

The Baltic Sea Fish Fingers, a new product launched in autumn 2021, expanded Apetit's local fish product family. In 2021, the amount of local domestic fish used by Apetit increased by almost 70 per cent compared to the previous year.

The Baltic herring fish fingers, made of Finnish MSC-certified Baltic herring fillet, make it easy to eat domestic Baltic herring and are a sustainable choice: eating Baltic herring decreases the Baltic Sea's nutrient load and, like other local domestic fish, it has a small carbon footprint.

ALGAE CALCULATOR

Eutrophication is one of the greatest challenges that our waterways are facing. In connection with the launch of the new fish finger product, Apetit published its online Algae calculator, which shows how much eutrophication-accelerating nutrients and algae can be removed from waterways by eating Apetit's local fish products.

Apetit's Algae calculator is based on the amount of phosphorus removed from the water with the caught fish. One gramme of phosphorus will grow roughly one kilo of algae.

Raw material efficiency and material efficiency

Apetit Group's three production facilities generate varying amounts of side streams. The Kantvik vegetable oil milling plant uses 99.9 per cent of seeds for vegetable oil. Wastage at the Pudasjärvi frozen pizza plant is also relatively small: less than 1 per cent of the Group's biowaste is generated at Pudasjärvi.

The majority, more than 90 per cent, of Apetit's biowaste streams are generated at the Säkylä frozen foods plant. Most of the Säkylä plant's biowaste comes from production focusing on harvest time. However, much of this biowaste is not wastage created in production but soil and stones that come with vegetables from fields to the plant and are reported as part of biowaste. Root vegetable peeling waste also increases the amount of biowaste.

Developing material efficiency and raw material efficiency

By investing in new brush scrubbers and steam peelers, Apetit has reduced the amount of peeling waste in its harvest season production. The investments also has a significant impact on water consumption, which decreased by 13 per at the Säkylä plant.

A material review has also been conducted at the Säkylä frozen foods plant, on the basis of which Apetit is trying to, among other things, reduce the amount of side streams that would be suitable for food use.

GOALS OF THE RESPONSIBILITY PROGRAMME

We will reduce waste at our frozen foods plants: we will develop our material efficiency and promote the recovery and reuse of side streams.

Investments made at the Säkylä plant improved energy efficiency, reduced water consumption and improved significantly material efficiency in harvest season production. Side streams directed to bioenergy production.

CASE SÄKYLÄ'S BRUSH SCRUBBER AND STEAM PEELER INVESTMENTS HAVE POSITIVE IMPACTS ON MATERIAL EFFICIENCY

In 2020-2021, the Säkylä frozen foods plant invested in the processing of raw materials by replacing the processing equipment used for the harvest vegetables.

The investment had positive impacts on raw material efficiency. More efficient washing and steam peeling means that more of the vegetables are left to be processed for production and there is less peeling waste ending up as biowaste. Thanks to the improvement of efficiency in the harvest season production, the plant freezes about a million kilos more root vegetables compared to previous equivalent harvests, or the content of 1.5 million packages of Apetit Potatoes & Vegetables for soup.

The investment also decreased the plant's water consumption during harvest season production by 12 per cent. As a result of the steam peeler investment, energy consumption of steam at the Säkylä plant decreased by 27 per cent from the comparison year.

Energy efficiency

Energy use is the main factor influencing Apetit Group's direct emissions and indirect emissions from the generation of purchased energy. Apetit Group participates in the Energy Efficiency Agreement system of Finnish industries and has committed to implementing the Food and Drink Industry Action Plan by reducing its energy consumption by 7.5 per cent in 2017–2025.

At its production facilities, Apetit uses electricity, steam and district heat and at the vegetable oil milling plant also light fuel oil. The Group's most energy-intensive process can be found at the vegetable oil milling plant, where seeds are heated and milled into rapeseed oil.

Cooling, freezing and frozen storage at the Säkylä and Pudasjärvi plants are also processes that require a lot of energy. Especially the Säkylä frozen foods plant has improved the monitoring of energy consumption in different processes to develop energy efficiency.

Logistics play a key role in all of the Group's business operations but Apetit has little own transportation fleet or work machinery. Apetit Group's business operations can influence logistics solutions especially by ensuring that loads are large and filled to the capacity. The amount of fuels used in logistics and, as a result, environmental impacts are mitigated by optimizing shipping.

Developing energy efficiency

In 2021, energy consumption increased by 4 per cent from the comparison year and by 2 per cent when compared to the Energy Efficiency Agreement comparison year 2016. Energy efficiency was improved by the measures taken at the Säkylä plant, which reduced steam consumption at the plant by 27 per cent. Energy consumption was increased at the Kantvik oil milling plant due to increased production.

> "The energy efficiency for steam in harvest season production for root vegetables has improved by more than 25 per cent."
>
> - Jyrki Tupala, Project Manager

Energy intensity, MWh / produced tonne	2021	2020	2019	2018
Frozen foods and vegetables	1.2	1.1	1.0	0.9
Frozen pizzas	1.8	1.5	1.5	1.4
Oilseed products	0.3	0.3	0.3	0.3
Apetit combined	0.4	0.5	0.4	0.4

Energy consumption, MWh	2021	2020	2019	2018
Electricity	33,289	31,467	27,783	26,975
Steam	29,494	30,458	30,650	31,670
District heating	9,654	8,048	7,027	6,530
Light fuel oil	1,379	1,123	1,287	1,225
Energy consumption combined, MWh	73,816	71,096	66,747	66,400
Energy consumption combined, TJ	265.7	255.9	240.3	239.0

Energy from renewable and non-renewable sources, per cent	2021	2020	2019	2018
Renewable sources	55%	34%	10%	11%
Non-renewable sources	45%	66%	90%	89%

Water consumption

In its operations, Apetit Group's production facilities use household water, lake water and sea water. The highest water consumption occurs at the Säkylä frozen foods plant, where water is used especially in washing vegetables. Household water is used at all production facilities.
The Säkylä frozen foods plant uses lake water and household water to wash harvest season vegetables and to cool the equipment. The Säkylä plant's water consumption accounts for around 80 per cent of the entire Group's water consumption, when the sea water utilized in closed system at Kantvik plant is not included.

The Pudasjärvi frozen pizza plant use only a little water. Water consumption at the Kantvik plant has increased since the bioenergy plant was put into production. The Kantvik plant uses sea water in a closed system to cool the equipment. The amount of discharged sea water has reduced significantly since the bioenergy plant was put into production and the plant's under pressure system was renewed.

As all Apetit Group's production facilities are in Finland, no water is taken from areas where water is scarce. Apetit has determined the eutrophication effects and water footprints of some of its selected products to reduce its environmental impacts.

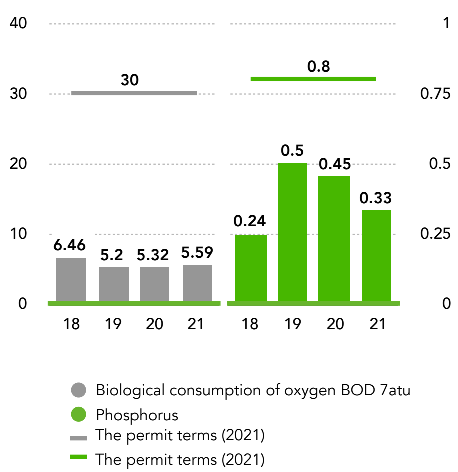
Reducing water consumption

The steam peelers and brush scrubbers, in which investments have been made at the Säkylä plant, enhance the efficiency of the vegetable washing process, which reduced the plant's water consumption by 13 per cent during the reporting period.

Operation of sewage treatment plant, Säkylä mg/l	2021	2020	2019	2018
Cleaned waste water m³	755,882	864,579	679,385	850,397
Nitrogen	9.9	14.5	12.1	6.7
Ammonium-nitrogen	0.8	2.5	0.1	0.1
Solids	21.2	15	14.3	18.7
Biological consumption of oxygen BOD 7atu	8.6	7.2	6.9	10.2

Water withdrawal, m³ (all production facilities)	2021	2020	2019	2018
Sea water	386,077	654,616	606,709	516,087
Household water	238,547	245,988	246,805	193,492
Lake water	103,210	112,494	112,141	91,620
Waster discharges, m³ (all production facilities)				
Municipal sewerage network	43,675	41,239	45,154	42,279
Sea	386,077	654,616	606,709	516,087
Wastewater treatment plant	220,984	294,021	308,737	215,952

Apetit's wastewater treatment plant, quality of purified water, ton



Waste

A total of 99 per cent of Apetit Group's waste streams are non-hazardous waste that is either recovered or used in energy production. Almost half of the entire Group's waste is biowaste from the Säkylä frozen foods plant, consisting mainly of soil that comes to the plant with harvest season vegetables as well as vegetable peeling waste. At reporting year, the Säkylä plant's biowaste was entirely used as bioenergy raw material.

Approximately 0.1 per cent of the Group's waste streams is hazardous waste. Hazardous waste was mainly generated by the waste streams of the construction sites at the Säkylä and Kantvik plants. Apetit Group's waste is processed by an external operator that is responsible for the appropriate disposal of waste.

Waste generated by end products manufactured by Apetit Group consists of packaging waste and potential food waste. The aim is to increase the degree of recyclability of the packaging materials used by Apetit. Approximately, of Apetit products' consumer packaging waste, 35 per cent is recyclable paperboard, 20 per cent is recyclable plastic and 30 per cent plastics that can not be recovered in recycling.

Apetit Group's operations do not generate wastewater that would be directly hazardous to the environment. Water that is used at the Säkylä plant to wash harvest season vegetables and thus contains nutrients goes through Apetit's own wastewater treatment plant, the operations of which are subject to authorisation. If water was released to the environment without treatment, it would increase eutrophication.

Reducing side streams

The bioenergy plant built at the Kantvik vegetable oil milling plant will use the milling plant's own side streams in energy production. The straw waste that comes with oilseeds will be utilised in the bioenergy plant's raw materials, which will reduce the amount of the plant's waste processed elsewhere. The brush scrubbers and steam peelers deployed at the Säkylä frozen foods plant have improved the root vegetable yield by reducing the amount of material ending up as peeling waste.

99.7%

OF WASTE GENERATED WAS RECYCLABLE OR UTILISATION WASTE

> "The side streams from Kantvik vegetable oil milling plant will be even further decreased, when the straws coming with oilseed deliveries can be utilized at the bioenergy plant."
>
> \- Toni Oravakangas, Technical Manager

Waste, tonne	2021	2020	2019	2018
Non-hazardous waste				
Recycle/utilisation waste	9,432.6	8,186.5	7,546.6	6,377.8
Biowaste (to bioenergy)	4,773.7	5,458.5	4,512.6	4,065.4
Refuse dump waste	14.3	20.7	28.4	31.7
Hazardous waste, tonne				
Hazardous waste treatment	13.0	6.5	4.5	3.8
Waste combined, tonne	9,459.9	8,193.0	7,589.5	6,413.4
Waste combined, kg per produced ton	57.5	54.7	48.5	39.6

Percentages of total waste				
Non-hazardous waste	99.9%	99.9%	99.9%	99.9%
Hazardous waste	0.1%	0.1%	0.1%	0.1%

Products

Good food is made from carefully selected, high-quality raw materials that are pure and responsibly produced. With its products, Apetit wants to promote sustainable food choices and make them easier as well as create well-being for people.

Approximately 95 per cent of the raw materials that Apetit uses in its frozen products are plant-based. Apetit's product selection includes frozen vegetables, frozen vegetable and fish based ready foods, frozen pizzas and rapeseed oils. In addition, rapeseed expeller is also made of oilseed plants, to be used as feed raw material.

Products are manufactured for the needs of retail trade, the Food Service sector and industry. The key elements of Apetit's product policy are the origin of raw materials and products, the nutritional goals of products, responsible procurement principles, the accuracy of product information, and sustainable packaging solutions.

In product development, products are created in line with nutritional recommendations. Apetit's aim is to use iodised salt in its products, to achieve high fibre and protein content and to prefer good fats by using rapeseed oil. Sources used in the calculation of nutritional values are generally accepted databases (Fineli) and, when necessary, laboratory tests.

GOALS OF THE RESPONSIBILITY PROGRAMME

We will maintain the degree of domestic origin of our frozen products (80%) and plant-based ingredients (95%) at least at the current level. In 2021, the degree of domestic origin was 79 per cent and the share of plant-based ingredients was 96 per cent.

We will increase the share of local fish caught in the Baltic Sea and Finnish lakes to 20 per cent of our total use of fish.
The share of local domestic fish is 19 per cent of our total use of fish.

Apetit continued its systematic work to commercialise its new rapeseed-based plant protein during 2021. The small-scale production of the BlackGrain from Yellow Fields plant protein started in October 2021 at the premises of Apetit's subcontractor. The small-scale production made it possible to deliver BlackGrain for customer samples and test runs as well as to the first customers.

Rich with fibre, protein and healthy omega-3 fatty acids, BlackGrain is suitable for a wide range of products. Apetit conducts customer-oriented development to find the best possible customer product uses for BlackGrain. The first product containing BlackGrain was Apetit Vegetable Ball, launched in the HoReCa sector in early 2022.

Quality

Product quality and product safety are key factors in the food industry. Ensuring food safety requires the professional competence and responsibility of the people who work in the food supply chain as well as production-related risk knowledge and management. The production chain of Apetit's frozen vegetables, frozen foods and rapeseed oils is monitored closely from field to fork.

Apetit Group's production facilities in Säkylä, Kantvik and Pudasjärvi have food safety systems certified in accordance with the GFSI standard: BRC in Säkylä and food safety systems according to FSSC 22000 standard in Kantvik and Pudasjärvi. In addition, a comprehensive SMETA audit, created to support ethical trading, has been carried out at the Säkylä plant. The Säkylä and Kantvik plants also have their own laboratories for ensuring product safety.

Accurate labelling on packaging is also an essential part of product safety. Information about raw materials and allergens are clearly indicated on the labelling in accordance with the EU Food Information Regulation.

Withdrawals, pcs	**2021**	**2020**	**2019**	**2018**
Frozen food products	1**	0	2**	1*
Oilseed products	0	0	0	0
Apetit combined	1	0	2	1

Includes both public and instore withdrawals
* Weak product quality
**Incorrect labeling

APETIT GROUP'S FUNCTIONS HAVE THE FOLLOWING CERTIFICATES:

APETIT RUOKA

BRC (Grade AA) (Säkylä plant)

FSSC 22000 5.1 (Pudasjärvi)

ISO 9001 & ISO 14001

FSA - Farm sustainability assessment (contract growing of peas)

MSC - Marine Stewardship council (Säkylä, patty and ball production)

Organic certification (Säkylä)

AVENA KANTVIK

FSSC 22000 5.1 & ISO 22000

ISO 9001

ISO 17025 (salmonella self-monitoring)

Halal & Kosher

AVENA NORDIC GRAIN

ISO 9001

EFICS-GTP

Halal

Kosher

> "The operations at Apetit's Säkylä plant reached the Silver level in sustainability survey from Ecovadis."
>
> - Noora Ranta, Quality Manager

Packaging

The packaging of a food product is primarily intended to protect the shelf life of the product and to ensure product safety. Packaging also plays a significant role in reducing food waste.

Apetit uses mainly plastics and paperboards as product packaging materials. In addition, glass is used in Neito rapeseed oil bottles. Wood is used in the palletised transport of product batches.

Plastics are used as packaging material in many Apetit products: for example, all frozen vegetable mixes come in plastic packaging. Apetit rapeseed oils are also packaged into plastic bottles.

In 2020, Apetit started to introduce thinner plastic in the packaging of frozen vegetables sold in retail stores. Proportioned to Apetit's use of plastic in 2021, thinner plastics will reduce annual plastic use by 20,000 kilos.

In Apetit products sold in retail stores, approximately 35 per cent of packaging materials used by Apetit are renewable. When it comes to plastic packaging, approximately 30 per cent are made of recyclable materials and 1 per cent are made of renewable materials. In Apetit's corporate responsibility programme, one of the goals is to increase the use of recyclable packaging materials to 100 per cent. Also the labelling on packaging has been developed in connection with labelling updates, especially with regard to recycling instructions.

Apetit's organic vegetable mixes and selected novelty products are packaged in recyclable Green PE packaging. Green PE is made of ethanol refined from sugar production by-product and does not contain fossil raw materials.

Apetit reports the amounts of packaging material it puts out into the market in accordance with the EU Packaging Directive and pays recovery fees for the organisation of material recycling.

GOALS OF THE RESPONSIBILITY PROGRAMME

We will increase the recycling rate of the packaging materials of Apetit products sold through retail channels to 100 per cent.

The recyclability of packaging materials is being increased and the recycling rate is 67 per cent

Packaging materials, tonne	2021	2020	2019	2018
Paper fibers	1,245.6	1,291.9	1,471.2	1,269.6
Plastics	712.7	690.0	739.0	714.1
Metals	0.3	0.3	0.3	0.3
Glass	46.0	49.5	46.4	53.4
Wood	1,927.2	1,931.3	2,255.7	2,101.5
Packaging materials combined	3,931.8	3,962.7	4,512.6	4,138.9
Packaging materials combined, per produced tonne	23.9	26.4	28.9	25.6
Share of renewable packaging materials, per cent	81%	81%	83%	81%

"Making plastic packaging materials of Apetit products thinner, saves annually 20 000 kilos of plastic."

- Henna Lehtinen, Packaging Specialist

Personnel

Apetit's personnel strategy focuses on creating a safe and encouraging work atmosphere, developing competence as well as enabling inspiring and goal-oriented leadership and a bold corporate culture that enables experiments.

Each employee should be familiar with the goals of their work and should be able to make use of their strengths and skills in their job. It is important that Apetit's employees can work in an encouraging and inspiring work atmosphere with rewarding tasks that they find meaningful.

At the end of 2021, Apetit had 376 employees, 94 per cent of them in Finland. In full-time equivalents, the average number of personnel was 337. Apetit does not use external labour, such as leased employees, to a significant extent. The number of employees at Apetit's Säkylä plant varies during the year based on the harvest season. The number of temporary employees increases for a period of about six months in the harvest season. During this season, the number of employees at the plant is approximately 30 per cent higher than normally. There were two part-time employees employed by the Group during 2021.

Subcontractors were used in construction projects that were being carried out in the industrial areas during the reporting period.

All Apetit's employees are covered by collective agreements. Upper-level staff have a basic agreement. Apetit complies with the Finnish Collective Agreements Act and trade union agreements in all personnel-related matters.

Competence development

One of the most important goals of personnel development is ensuring sufficient and optimal talent. Key skills for Apetit's employees include a customer-focused approach, production and product development skills, project management capabilities and the ability to achieve actual results.

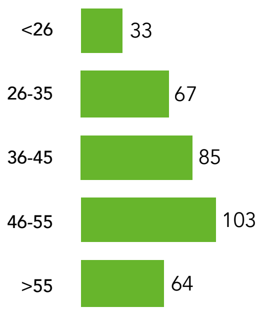
The Group develops competence with an internal online learning environment and external training, for example. All office employees are covered by personal development appraisals. A large share of employees have personal development appraisals individually or in a group. During the reporting period, 91 per cent of performance appraisals were conducted.

Employee satisfaction

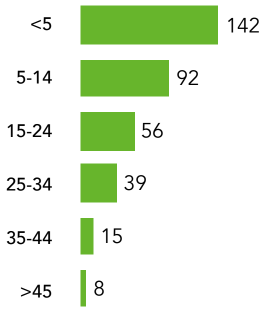
Apetit monitors well-being at work and employee satisfaction by means of a Group-wide well-being at work survey, for example. In the survey, the personnel assess their experiences of personal well-being at work, the work atmosphere, safety at work, social support and supervisory work.

In the survey conducted in March 2021, average employee satisfaction was 4.0 (2020: 3.9). According to the results, the Group's strengths include the fact that the employees feel that work being carried out in the company is meaningful and that their roles and responsibilities are clear. Regular feedback on work was identified as an area requiring development.

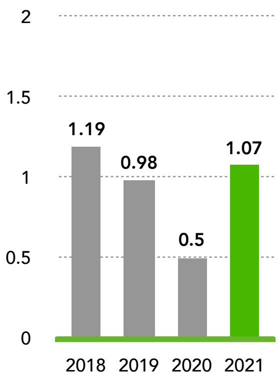
Age structure of personnel, 31.12.2021

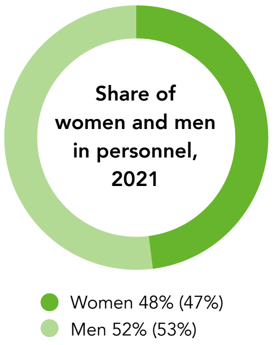


Service years of personnel, 31.12.2021



Training days for personnel, average per person





Number of personnel at the end of the year	2021	2020	2019	2018
Permanent				
Women	131	129	133	242
Men	156	152	170	274
In Finland	287	281	276	484
Other lands	24	26	27	32
Permanent total	311	307	303	516
Temporary				
Women	38	32	46	53
Men	27	31	24	25
In Finland	65	63	70	76
Other lands	0	0	0	2
Temporary total	65	63	70	78
Apetit total at the end of the year	376	370	373	594

Appraisals conducted	2021	2020	2019
Women	91%	92%	96%
Men	91%	92%	96%
Total	91%	92%	96%

Number of employees and officials at the end of the year	2021	2020	2019	2018
Employees				
Women	98	92	97	195
Men	125	128	122	201
In Finland	223	220	219	396
Other lands	0	0	0	0
Employees total	223	220	219	396
Officials				
Women	71	69	82	100
Men	58	55	72	98
In Finland	129	124	127	164
Other lands	24	26	27	34
Officials total	153	150	154	198

Employee satisfaction survey (grade 1-5)	2021	2020	2019	2018
Average grade	*	4.0	3.9	3.9

* the survey will be conducted in 2022

Equal pay	2021	2020
Women's share of basic salary of men's pay		
Employees	92%	91%
Officials	83%	86%
Seniof officials and upper management	71%	72%

New hired personnel and turnover	2021	2020	2019	2018
New hired personnel				
Women	62	61	97	195
Men	42	48	122	201
In Finland	104	109	219	396
Other lands	0	0	0	0
Total	104	109	219	396
- of which to permanent employment relationship	10%	19%	27%	35%

Turnover, in, per cent	2021	2020	2019	2018
Total	28	32	31	39

Terminated employments and turnover	2021	2020	2019	2018
Terminated employmentes				
Women	61	69		
Men	43	51		
In Finland	104	120		
Other lands	0	0		
Total	104	120		
- of which from permanent employment relationship	26%	26%		

Turnover, out, per cent	2021	2020	2019	2018
Total	28	35	11	18

Well-being and safety at work

Safety at work is one of the key themes of Apetit's personnel strategy. The goal is to reduce occupational accidents to zero and to reduce sickness absences. The key indicators of occupational safety, or the accident frequency rate, the number of occupational accidents, occupational safety observations and sickness absences, are monitored regularly.

At Apetit, the risk of occupational accidents is increased by, for example, cold-storage facilities, high noise level in some places, the use of machines and knives and potential slipperiness in production facilities. Production work also involves repetitive movements that may cause musculoskeletal disorders.

Apetit seeks to reduce the risk of accidents and illnesses in a proactive manner, especially through appropriate job-specific instructions and personal protective equipment.

All occupational accidents and near misses in Apetit Group are investigated internally. On the basis of the investigation, actions are proposed to prevent similar situations from occurring in the future. The Group also improves the prevention of accidents through occupational safety observations.

Apetit Group has defined, statutory occupational safety and health processes, according to which it develops a safe working environment for employees and ensures their well-being and work and functional ability. Occupational safety and health representatives and shop stewards also contribute to the development of occupational safety and health. The entire Group's personnel are covered by occupational safety and health systems. Apetit purchases occupational health care services from an external service provider.

GOALS OF THE RESPONSIBILITY PROGRAMME

We will develop Apetit as an employer that is perceived by our personnel as an equal and fair workplace where it is safe to work and where employees are given space to participate in development efforts as well as develop themselves as professionals.

The number of occupational accidents has increased by seven accidents from the comparison year's 2019 figure.

Occupational accidents, LTA1	2021	2020	2019	2018
Occupational accidents and accidents on way to work that cause sickness absence of at least one day	18	18	11	16

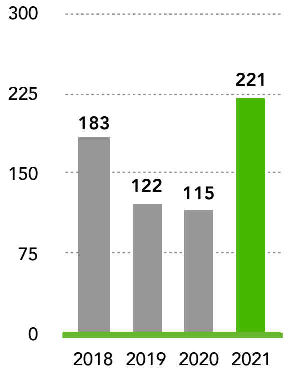
Occupational accidents, TRI	2021	2020	2019	2018
All recorded occupational accidents and accidents on way to work	32	26	25	54

Occupational accidents rate*	2021	2020	2019	2018
LTA1	27.1	27.7	21.9	30.8
TRI	48.2	43.1	20.8	50.0

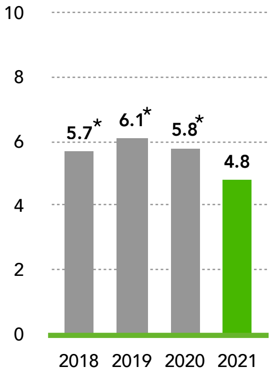
*per million working hours

> "Prevention is an essential part of an occupational safety culture. We have developed reporting practices for occupational safety observations and streamlined the handling of findings."
>
> - Niko Lehti, HSE Manager

Absence days caused by occupational accidents



Employee sickness absence of regular working time, %

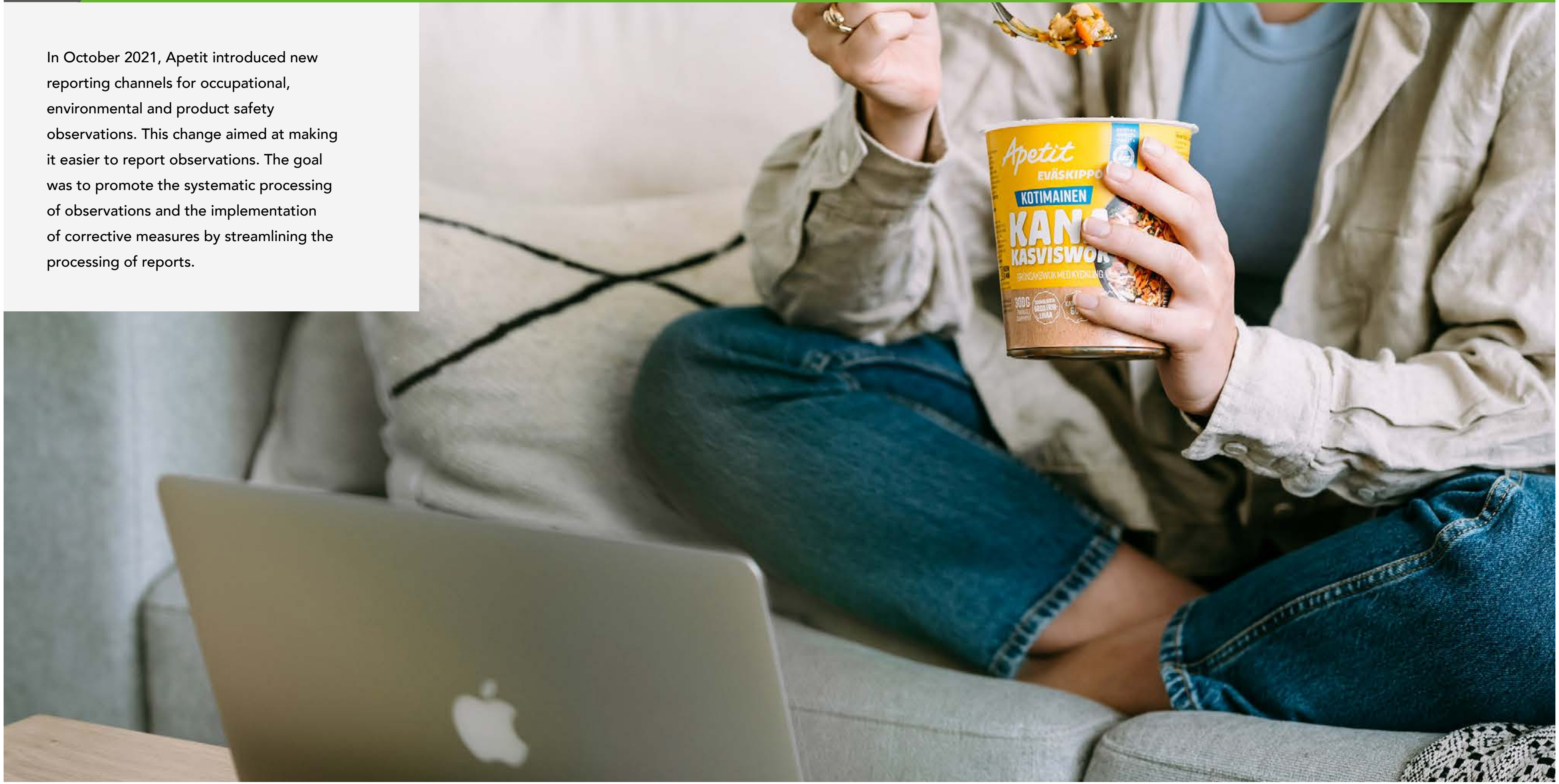


*Employees only

CASE

NEW REPORTING CHANNEL FOR SAFETY OBSERVATIONS

In October 2021, Apetit introduced new reporting channels for occupational, environmental and product safety observations. This change aimed at making it easier to report observations. The goal was to promote the systematic processing of observations and the implementation of corrective measures by streamlining the processing of reports.



Social impacts and society

As its direct stakeholders, Apetit has identified customers, employees, growers, shareholders, partners, goods and service providers as well as certain supervisory authorities. The company’s indirect stakeholders include, for example, local communities, media, society, subcontractors, educational institutions and advocacy organisations.

In addition to direct employment, Apetit’s operations have indirect impacts on the areas near its industrial sites. In 2021, Apetit’s purchases of raw materials, goods and services totalled EUR 249.0 million.

Apetit has focused its support and sponsoring activities on the areas where the company’s production facilities are located. In addition to support granted to sports facilities, for example, Apetit has chosen a sports team in each of its production locations to receive financial support.

Apetit also cooperates in various primary production R&D projects with parties such as Baltic Sea Action Group and Pyhäjärvi institute. In 2021, Apetit Group invested EUR 1.0 million in research and development. Project-related research is also conducted at Apetit’s Räpi experimental farm.

The mainly plant- and fish-based products manufactured by Apetit contribute to enabling users to adopt sustainable eating habits that improve their well-being.

The majority of Apetit’s personnel work at the Group’s Finnish production facilities or in its other locations in Finland. The food industry is one of the most female-dominated industries in Finland. According to the Finnish Food and Drink Industries’ Federation’s statistics, 48 per cent of food industry employees are female. In Apetit Group's operations in Finland, the share of women is 44 per cent among employees, 55 per cent among office employees and 48 per cent among the entire personnel.

Percentage of women, 31st of December 2021, %	2021	2020	2019	2018
Corporate management	17	17	25	43
Board of directors	40	33	20	20
Supervisory board	17	17	24	23

Age structure, 31st of December 2021, %	30–40	40–50	50–60	60–
Corporate management	0	50	50	0
Board of directors	0	20	40	40
Supervisory board	6	0	61	33

Business principles

In all its operations, Apetit complies with the applicable law and regulations and with good governance practices. The Group's Code of Conduct and ethical principles guide the operations of Apetit and all its employees.

The company's employees and third parties can report any violations of its Code of Conduct via a designated whistleblowing channel. No reports were submitted via the whistleblowing channel in 2021.

In line with its Code of Conduct, Apetit and its employees may not make direct or indirect bribes or give other benefits that may be construed as bribes to gain or maintain business. Apetit's employees must also avoid situations that are in conflict or may be construed to be in conflict with the personal and business interests of the employee.

Apetit provides training on the key principles of competition legislation to all office employees to ensure fair and transparent competition on the market. Apetit Group's direct raw material suppliers are required to comply with Apetit's ethical procurement principles.

Use of data

As a rule, Apetit does not collect data that can be considered to be consumers' or private individuals' personal data. Exceptions to this include, for example, contacts related to the consumer service or the recruitment process: data associated with these are processed according to Apetit's privacy policies.

To support its business, Apetit mainly uses market and consumer information based on consumer research or sales figures, which it acquires from external parties and in which private individuals' data is not processed. Data-based added value that Apetit creates for its partners and consumers is created rather on the basis of professional assets and expertise than on the basis of data covered by privacy protection.

Personal data processed in Apetit's different operations are mainly associated with data used in business relations and customer interfaces and grower contact details yielded by business operations. When it comes to Apetit's personnel, personal data may only be processed by specifically appointed persons whose duties require this.

Apetit sends newsletters to consumers, growers and other partners. The newsletter mailing lists that contain personal data have been created on the basis of partner contact details, purchased professional contact detail lists and private individuals' newsletter subscriptions.

Apetit and its partners target online advertising using general databases that improve targeting as well as target groups created on the basis of Apetit's website analytics. Information used in marketing is not directly targeted at private individuals but target groups.

Apetit Group has regularly updated information security and data protection policies to ensure good data processing practices and privacy protection. The risk of abuse of data that is clearly harmful for private individuals is considered to be low, particularly due to the nature of the data managed by Apetit.

RESPONSIBLE BUSINESS

The material aspects of Apetit's corporate responsibility are closely intertwined with the company's value chain.

APETIT'S MATERIAL THEMES OF CORPORATE RESPONSIBILITY

The material aspects of Apetit's corporate responsibility are closely intertwined with the company's value chain. The material themes have been analysed in an extensive project to determine the content of Apetit's corporate responsibility and updated on the basis of a stakeholder survey in 2020.

The material aspects of Apetit's corporate responsibility are divided under four areas: Products, Environment and climate, Social responsibility and Business and society. The related key material aspects are presented on the outer ring of the chart.

MANAGING CORPORATE RESPONSIBILITY

Corporate responsibility is managed by the corporate management as part of its normal operations. The development of corporate responsibility work and the sustainability targets are guided by the Group Sustainability Director. The targets of the corporate responsibility programme have been approved as part of the company's business and sustainability work. One of five strategic focus areas of the Apetit Group is Sustainable actions.

In the business segments the sustainability work is managed by the segment directors as part of daily business. The Apetit Group's corporate responsibility work is developed and followed by the corporate responsibility steering group.

The personnel have the opportunity to influence corporate responsibility issues on a regular basis, for example, through internal collaboration meetings and daily operations.

Group's Code of Conduct and management systems

- Code of Conduct
- Operating policies
- Management systems
- Environmental systems
- Procurement policy, ethical supplier requirements and sourcing responsibility guidelines

Reporting

Apetit reports on the measures taken in its sustainability work, the indicators of its material themes and the progress made in achieving its goals in its annual sustainability report in accordance with the Core option of the Global Reporting Initiative (GRI) standards.

Ethical channel

At the Apetit Group, suspected misconduct and non-compliance with the company's Code of Conduct and can be reported in Apetit's ethical channel for reporting suspected misconduct. Apetit's employees and all representatives of Apetit's stakeholders can report suspected cases of misconduct.

REPORTING AND COMMUNICATION

BOARD OF DIRECTORS
Addressing key corporate responsibility principles and reporting.

CORPORATE RESPONSIBILITY IS GUIDED BY:
The Code of Conduct
Operating policy
Management systems
Environmental systems
Procurement policy and ethical supplier requirements
Corporate responsibility programme

CORPORATE MANAGEMENT TEAM
Manages the Group's corporate responsibility as part of normal business operations.

THE GROUP'S SUSTAINABILITY DIRECTOR AND THE CORPORATE RESPONSIBILITY STEERING GROUP
Guide the development of corporate responsibility, monitor and secure the implementation of corporate responsibility targets in operational activities.

BUSINESS DIRECTORS
Are in charge of responsibility efforts as part of normal operations.

ALL MANAGERS, ALL PERSONNEL
Corporate responsibility as part of day-to-day operations.
Opportunities for exercising influence via collaborative meetings and daily operations.

TOGETHER WITH STAKEHOLDERS

Apetit seeks to treat all of its stakeholders equally. Continuous interaction with stakeholders, as well as an attentiveness to their needs and wishes, is one of the cornerstones of the company's sustainable operations.

Apetit's most important stakeholders are customers, employees, growers, shareholders, partners, media and various other parties in society, including the authorities, educational institutions, research institutes, non-profit organisations and local communities. Apetit Group's stakeholders have been identified based on whether they are direct or indirect stakeholders. The direct stakeholders are groups with which Apetit has a formal and established contractual relationship. They include, for example, employees, customers, suppliers, service providers, shareholders, contract growers, the supervisory authorities.

Indirect stakeholders are groups with which Apetit does not have a direct contractual relationship, or groups that represent a broader stakeholder or interest. They include, for example, the local communities, media, society, subcontractors, educational institutions and advocacy organisations.

Apetit's key stakeholders have been defined as the parties that the organisation's operations, products or services are likely to have a significant impact on and/or which are likely to influence the organisation's ability to execute its strategy and achieve its objectives.

Apetit or its subsidiaries are members of key industry and interest organisations, such as the Finnish Food and Drink Industries' Federation, Gafta, FEDIOL and the Finnish Cereal Committee.

Apetit is committed to external initiatives that are important for its industry, such as Material Efficiency Commitment and the national energy efficiency action plan.

Customers	Personnel	Farmers	Owners	Partners	Media	Society
• Retail, hotel, restaurant and catering sector, food industry • Consumers	• 376 employees (at the end of 2021) in three production facilities, in nine offices in Finland	• Contract growers for vegetables • Oilseed plant growers • Growers and producers of grain and feedstuff	• Over 11,000 owners, of which approximately 50 per cent domestic households	• Suppliers and service providers • Investors	• Domestic and foreign media • Social media	• Public authorities, educational institutes, research facilities, organizations, local communities

Stakeholder	Stakeholder expectations and Apetit's response	Channels of engagement
Customers and consumers	High-quality, safe, sustainable and nutritious products that make daily meal times easier. Reliable and highly competent service in all business areas.	Digital channels and online services, marketing communications, physical meetings and customer meetings.
Personnel	Equal and non-discriminatory treatment, creating an encouraging and safe workplace atmosphere, competence development and enabling goal-oriented leadership.	Personal interaction, employee satisfaction surveys and personal development appraisals, internal communication, training and workplace health promotion activities.
Farmers	Maintenance and continuous development of sustainable cooperation. Ensuring the continuity of operations through mutually beneficial cooperation.	Personal meetings, digital channels, grower day events and events in the field, stakeholder communication.
Owners	Creation of economic value, development of Finnish, sustainable business, open communications and trustworthiness.	Regular financial reporting and communications, investor meetings and Annual General Meetings, open communication channels through online services.
Partners	Effective and open cooperation. Trust with regard to the responsibility and sustainability of operations and the quality of products and services.	Digital channels and online services, marketing communications, physical meetings, customer meetings and stakeholder communication.
Media	Open and reliable communication, transparency, fast response to media requests. Expertise in the Group’s field of activity.	Digital channels and online services, marketing communications, physical meetings.
Society	Effective and open cooperation with the various authorities, industry-developing and future-oriented cooperation with research institutes and educational institutions.	Personal encounters at various events and cooperation-related meetings, digital channels.

MANAGEMENT SYSTEMS OF CORPORATE RESPONSIBILITY

Material aspect	Material topics	Relevant policies and principles, commitments and management systems
Products		
Nutritional value and safety of products	Apetit evaluates the nutrition of its products in accordance with the general nutrition recommendations. Product safety is measured by the number of product defects and recalls.	Operating policy, product development strategy, quality management and product safety management systems in production.
Development of sustainable cultivation methods	Development and adoption of sustainable cultivation methods especially for field vegetables and oilseed plants. Research projects, own development work.	Apetit's strategy, corporate responsibility programme, Apetit's Responsible farming method. BSAG's Baltic Sea commitment to introduce cultivation methods that support carbon farming to contract growers.
Domestic raw materials	Domestic raw materials' share of all raw materials used.	Corporate responsibility programme, product development strategy, procurement policy.
Sustainable packaging solutions	Sustainably produced packaging that guarantees product safety. Increasing recyclability and the use of renewable materials.	Corporate responsibility programme, product development strategy, procurement policy.
Promotion of sustainable food choices	Development and promotion the supply of sustainable food solutions: the full life cycle of the product, from primary production to consumption and the final disposal of the packaging.	Apetit's strategy, corporate responsibility programme, product development strategy, procurement policy, Apetit's responsible farming practices.
Environment and climate		
Reduction of climate impacts	Reduction of the climate impacts of Apetit's own direct operations: renewable energy solutions, energy efficiency. Recution of the climate impacts in value chain. Identification of the climate related risks.	Operating policy, goals of the corporate responsibility programme. External initiatives: CDP, TCFD.
Raw material efficiency and material efficiency	Improvement of material efficiency in own production operations, reduction of food waste among customers and consumers, circular economy solutions from production side streams.	Material efficiency commitment, quality management and environmental management systems of production plants, corporate responsibility programme.
Energy efficiency	Improvement of energy efficiency in own operations.	Energy efficiency agreement, quality management and environmental management systems of production plants, corporate responsibility programme.
Promotion of waterway health	Prevention of environmental accidents at production plants (nutrients contained by wastewater, vegetable oil leaks), development of cultivation methods to minimise nutrient runoffs. Use of domestic, local fish in products.	Operating policy, environmental management systems of production plants, Apetit's responsible farming practices, product development strategy, corporate responsibility programme.
Support for biodiversity	Development of cultivation methods to support biodiversity. Prevention of direct environmental accidents.	Operating policy, Apetit's responsible farming practices.

Material aspect	Material topics	Relevant policies and principles, commitments and management systems
Social responsibility		
Employee satisfaction and well-being	Employee satisfaction and well-being are measured by an annual employee satisfaction survey. The survey is intended for all of Apetit's personnel.	Operating policy, ethical principles, personnel strategy, corporate responsibility programme.
Competence and capability development	Part of the personnel strategy and measured by the employee satisfaction survey.	Operating policy, ethical principles, personnel strategy, corporate responsibility programme.
Promotion of equality and diversity	Part of the personnel strategy and measured by the employee satisfaction survey.	Operating policy, ethical principles, personnel strategy, corporate responsibility programme.
Well-being and safety at work	Monitoring on the basis of the number of occupational accidents and sickness absences. For occupational accidents, the number of accidents involving external employees working at the production plant is also monitored.	Operating policy, ethical principles, personnel strategy, corporate responsibility programme.
Social impacts in the supply chain	Apetit requires its direct suppliers to commit to the Group's ethical supplier requirements. Policy for sustainable procurement.	Ethical principles, ethical supplier requirements, Apetit Group's procurement principles and sustainability policies, corporate responsibility programme.
Business and society		
Responsibility-based business principles	Common business principles across all of Apetit Group's businesses. Personnel's commitment to the Group's ethical principles.	Operating policy, ethical principles, data protection policy.
Financial performance	Financial objectives defined in Apetit Group's strategy.	Accounting principles IFRS.
Partnership with Finnish farmers	Close cooperation and partnership with Finnish farmers, based on contract farming.	Apetit Group's strategy, corporate responsibility programme.
Promotion of research on domestic primary production	Development and adoption of sustainable cultivation methods especially for field vegetables and oilseed plants. Research projects, own development work.	BSAG's Baltic Sea commitment, joint research projects with Pyhäjärvi Institute's and Natural Resources Institute Finland.

REPORTING PRINCIPLES

Apetit reports material key indicators and themes about its corporate responsibility. Material themes have been identified together with its stakeholders. Reporting is carried out in accordance with the Core option of the Global Reporting Initiative (GRI) standards.

Apetit has published an annual corporate responsibility report since 2017. Up until 2017, Apetit published separate personnel and environmental reports. Apetit reports on corporate responsibility in conjunction with annual financial reporting. The corporate responsibility report has not been verified.

Data on climate impact calculations

Apetit has calculated the carbon footprint of its operations in accordance with the standards and guidelines with the GHG protocol (version 2004, update 2013). For Scope 3 emissions, a separate Scope 3 emission calculation standard supplementing the GHG protocol (2011) and a technical guide (2013) were also applied. Apetit has defined the organization based on the operational control of the functions, i.e. the functions that are controlled by Apetit have been taken into account in the calculation. The calculation is limited to Finnish operations only.

Scope 1 emissions refer to direct emissions from the company's own operations, or so-called direct stack discharges, caused by the emission sources, such as vehicles, that Apetit owns and operates. Scope 2 consists of indirect emissions from the generation of the energy that Apetit consumes. The relevant emission categories identified for the Apetit Group of the downstream and upstream of the company's value chain have been taken into account in the Scope 3 calculation.

Energy consumption

Energy consumption reported includes the electricity, heat, steam and light fuel oil consumption at Apetit's production plants.

Changes in reporting

Apetit is now reporting its climate impact on Scope 3 emissions for the first time. Apetit has previously reported its climate impacts for Scope 1&2 emissions. Climate impact calculation has now been extended to cover emissions throughout the value chain for 2019-2021.

Reporting period and contact information

The report describes the progress and results of Apetit's corporate responsibility work in 2021. Some of the information has been updated for January–February 2022. Questions related to the report may be sent to comms@apetit.fi. They will be forwarded to the person responsible for the topic area in question.

GRI-INDEX

	Standard version	GRI disclosure	More information	Location
Organizational profile	2016	GRI 102-1 Name of the organization		3
		GRI 102-2 Activities, brands, products, and services		3, 16-18
		GRI 102-3 Location of headquarters		155
		GRI 102-4 Location of operations		15
		GRI 102-5 Ownership and legal form		84, 90
		GRI 102-6 Markets served		15-18
		GRI 102-7 Scale of the organization		15-18
		GRI 102-8 Information on employees and other workers		48-49
		GRI 102-9 Supply chain		15
		GRI 102-10 Significant changes to the organization and its supply chain		71-77
		GRI 102-11 Precautionary Principle or approach		37-38, 76-77
		GRI 102-12 External initiatives		57
		GRI 102-13 Membership of associations		57
Strategy	2016	GRI 102-14 Statement from senior decision-maker		6-7
		GRI 102-15 Key impacts, risks, and opportunities		37-38
Ethics and integrity	2016	GRI 102-16 Values, principles, standards, and norms of behavior		21-23, 55, apetit.fi/en/responsibility/code-of-conduct/
		GRI 102-17 Mechanisms for advice and concerns about ethics		53, apetit.fi/en/whistleblowing-channel/

	Standard version	GRI disclosure	More information	Location
Governance	2016	GRI 102-18 Governance structure		56, 59-60, 142-149
		GRI 102-19 Delegating authority		56, 59-60, 142-149
		GRI 102-20 Executive-level responsibility for economic, environmental and social topics		56, 59-60, 142-149
		GRI 102-21 Consulting stakeholders on economic, environmental and social topics		57-58
		GRI 102-22 Composition of the highest governance body and its committees		142-149
		GRI 102-23 Chair of the highest governance body		143
		GRI 102-24 Nominating and selecting the highest governance body	Partly reported: only the evaluation of inde-pendence reported of nomination criterions.	142
		GRI 102-25 Conflicts of interest		143
		GRI 102-26 Role of highest governance body in setting purpose, values, and strategy		56, 143-144, 147-149
		GRI 102-28 Evaluating the highest governance body's performance		144, 147-149
		GRI 102-29 Identifying and managing economic, environmental and social impacts		56, 43-144, 147-149
		GRI 102-30 Effectiveness of risk management processes		76-77
		GRI 102-31 Review of economic, environmental, and social topics		76-77
		GRI 102-32 Highest governance body's role in sustainability reporting	The Board of Directors has approved the key sustainability issues discussed in the report.	56
		GRI 102-33 Communicating critical concerns		142-149
		GRI 102-34 Nature and total number of critical concerns		59-60, 73-77
		GRI 102-35 Remuneration policies		150-152
		GRI 102-36 Process for determining remuneration		150-152
Stakeholder engagement	2016	GRI 102-40 List of stakeholder groups		57-58
		GRI 102-41 Collective bargaining agreements		48
		GRI 102-42 Identifying and selecting stakeholders		57-58
		GRI 102-43 Approach to stakeholder engagement		57-58
		GRI 102-44 Key topics and concerns raised		57-58

	Standard version	GRI disclosure	More information	Location
Reporting practice	2016	GRI 102-45 Entities included in the consolidated financial statements		70
		GRI 102-46 Defining report content and topic Boundaries		61
		GRI 102-47 List of material topics		55
		GRI 102-48 Restatements of information		61
		GRI 102-49 Changes in reporting		61
		GRI 102-50 Reporting period	1 January 2020 - 31 December 2020	GRI Index
		GRI 102-51 Date of most recent report	The previous report was published on March 11th 2021.	apetit.fi/en/for-investors/publications/previous-publi-cations/
		GRI 102-52 Reporting cycle	Annually.	GRI Index
		GRI 102-53 Contact point for questions regarding the report		61
		GRI 102-54 Claims of reporting in accordance with the GRI Standards		61
		GRI 102-55 GRI content index		62-66
		GRI 102-56 External assurance	No external assurance.	GRI Index
Management approach	2016	GRI 103-1 Explanation of the material topic and its Boundary		59-61
		GRI 103-2 The management approach and its components		56
		GRI 103-3 Evaluation of the management approach		56
Topic-specific content identified as material				
Financial impacts	2016	GRI 201-1 Direct economic value generated and distributed		15
	2016	GRI 204-1 Proportion of spending on local suppliers		31-32
	2016	GRI 205-2 Communication and training about anti-corruption policies and procedures		apetit.fi/en/responsibility/code-of-conduct/
	2016	GRI 205-3 Confirmed incidents of corruption and actions taken	No confirmed incidents.	GRI Index
Materials	2016	GRI 301-1 Materials used by weight or volume		31, 47

	Standard version	GRI disclosure	More information	Location
Energy	2016	GRI 302-1 Energy consumption within the organization		41
		GRI 302-3 Energy intensity		41
		GRI 302-4 Reduction of energy consumption		41
Water	2018	GRI 303-1 Interactions with water as a shared resource		42
		GRI 303-2 Management of water discharge-related impacts		42
		GRI 303-3 Water withdrawal		42
		GRI 303-4 Water discharge		42
		GRI 303-5 Water consumption		42
Biodiversity	2016	GRI 304-2 Significant impacts of activities, products, and services on biodiversity		37
Emissions	2016	GRI 305-1 Direct (Scope 1) GHG emissions		34-36
		GRI 305-2 Energy indirect (Scope 2) GHG emissions		34-36
		GRI 305-3 Other indirect (Scope 3) GHG emissions		34-36
		GRI 305-4 GHG emissions intensity		34-36
		GRI 305-5 Reduction of GHG emissions		34-36
Waste	2016	GRI 306-2 Waste by type and disposal method		43
Supplier Environmental Assessment	2016	GRI 308-1 Supplier Environmental Assessment		32-33
Employment	2016	GRI 401-1 New employee hires and employee turnover		49
Occupational health and safety	2018	GRI 403-1 Occupational health and safety management system		50
		GRI 403-2 Hazard identification, risk assessment, and incident investigation		50
		GRI 403-3 Occupational health services		50
		GRI 403-4 Worker participation, consultation, and communication on occupational health and safety		50
		GRI 403-5 Worker training on occupational health and safety		50
		GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		50
		GRI 403-8 Workers covered by an occupational health and safety management system		50
		GRI 403-9 Work-related injuries		50
		GRI 403-10 Work-related ill health		50

	Standard version	GRI disclosure	More information	Location
Training and education	2016	GRI 404-1 Average hours of training per year per employee		48
		GRI 404–3 Percentage of employees receiving regular performance and career development reviews		48-49
Diversity and equal opportunity	2016	GRI 405-1 Diversity of governance bodies and employees		48-49, 52
		GRI 405-2 Ratio of basic salary and remuneration of women to men		49
Supplier social assessment	2016	GRI 414-1 New suppliers that were screened using social criteria		32-33
Marketing and labeling	2016	GRI 417-1 Requirements for product and service information and labeling		44, 46
		GRI 417-2 Incidents of non-compliance concerning product and service information and labeling		44, 46
		GRI 417-3 Incidents of non-compliance concerning marketing communications	No incidents.	GRI index
Socioeconomic compliance		GRI 419-1 Non-compliance with laws and regulations in the social and economic area	No incidents.	GRI index

FINANCIAL REVIEW

FINANCIAL REVIEW

Contents

BOARD OF DIRECTORS' REPORT

Board Of Directors' Report

Apetit is a Finnish food industry company firmly rooted in Finnish primary production. Its product groups include frozen vegetables and frozen ready meals and vegetable oils. The company is also active in the Finnish and international grain, oilseeds and feed raw-materials markets.

The Group's businesses and reporting segments are Food Solutions, Oilseed Products and Grain Trade. In addition to the three reporting segments, Apetit will report Group Functions, consisting of the expenses related to Group management, strategic projects and listing on the stock exchange that are not allocated to the three business segments.

The Food Solutions segment consists of Apetit Ruoka Oy. Avena Nordic Grain Oy and its subsidiaries are responsible for Grain Trade and Oilseed Products. The result of the associated company Sucros Ltd is reported below the operating profit.

Apetit's shares have been quoted on Nasdaq Helsinki since 1989, and the company is domiciled in Säkylä.

Profit And Financial Position

NET SALES AND PROFIT OF CONTINUING OPERATIONS

Net sales in January–December were EUR 283.9 (292.9) million. Operating profit was EUR 2.8 (3.9) million. The operating profit includes capitalisation of fixed costs arising from harvest-time production and a change in grain stocks in the amount of EUR 0.3 (-0.1) million.

The share of the profit of the associated company Sucros was EUR 0.4 (0.3) million in January–December.

Financial income and expenses totalled EUR -0.4 (-0.5) million. The profit before taxes was EUR 2.9 (3.7) million, and taxes on the profit for the period came to EUR -0.5 (-0.6) million. Profit for the period came to EUR 2.4 (3.1) million, and earnings per share amounted to EUR 0.38 (0.49).

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 5.0 (26.8) million in January–December. The impact of the change in working capital was EUR -3.7 (17.3) 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 -6.3 (-8.9) million. The cash flow from financing activities came to EUR 7.7 (-19.7) million, including EUR 12.1 (-15.3) million in net loan repayments and EUR -3.1 (-2.8) million in dividend payments.

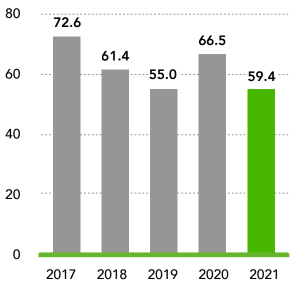
At the end of the period, the Group's interest-bearing liabilities amounted to EUR 32.3 (21.7) million and liquid assets to EUR 7.5 (1.1) million. Net interest-bearing liabilities totalled EUR 24.8 (20.6) million.

The consolidated balance sheet total stood at EUR 157.1 (142.8) million. At the end of the review period, equity totalled EUR 93.3 (95.0) million. The equity ratio was 59.4 (66.5) per cent, and gearing was 26.6 (21.7) 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 28.0 (15.0) million.

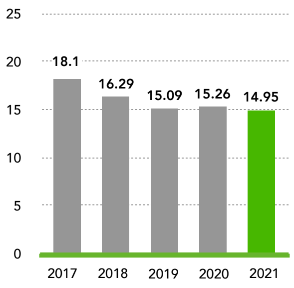
Key indicators

EUR million	2021	2020	Change
Continuing operations			
Net sales	**283.9**	292.9	**-3%**
EBITDA	**9.2**	10.1	
Operating profit	**2.8**	3.9	
Operating profit, %	**1.0**	1.3	
Profit before taxes	**2.9**	3.7	
Profit for the period	**2.4**	3.1	
Earnings per share, EUR	**0.38**	0.49	
Group			
Net sales	**283.9**	293.0	**-3%**
EBITDA	**9.2**	10.2	
Operating profit	**2.8**	4.1	
Profit for the period	**2.4**	3.2	
Earnings per share, EUR	**0.38**	0.52	
Equity per share, EUR	**14.95**	15.26	
ROCE %	**2.4**	3.3	
Net cash flow from operating activities	**5.0**	26.8	
Equity ratio, %	**59.4**	66.5	
Gearing, %	**26.6**	21.7	

Equity ratio, %



Shareholders' equity per share, EUR



Overview Of Operating Segments

FOOD SOLUTIONS

Net sales in the Food Solutions segment amounted to EUR 61.5 (60.1) million in January–December. Operating profit was EUR 5.9 (5.0) million.

Investment for the period totalled EUR 2.0 (2.9) million and was mainly associated with production efficiency improvements in Säkylä and the renewal of the pizza production line in Pudasjärvi.

OILSEED PRODUCTS

Net sales in the Oilseed Products segment were EUR 88.1 (65.8) million in January–December. Operating profit was EUR 2.0 (2.0) million.

Investment for the period totalled EUR 3.7 (4.7) million and was mainly associated with the construction of the bioenergy plant at the Kantvik vegetable oil milling plant.

GRAIN TRADE

Net sales in the Grain Trade segment were EUR 164.5 (194.3) million in January–December. Operating profit was EUR -3.0 (0.1) million.

Investment for the period totalled EUR 0.0 (0.1) million.

Impacts of the COVID-19 pandemic on Apetit's businesses

In Apetit Group, the impacts of the COVID-19 pandemic vary by business. Thanks to its proactive and systematic approach, Apetit has been able to maintain normal operations throughout the pandemic.

FOOD SOLUTIONS

The COVID-19 pandemic has affected the Food Solutions business the most. The retail demand for food increased substantially when the exceptional situation began in spring 2020. The sales of consumer products were exceptionally high for a time in the early stages of the COVID-19 pandemic, with demand levelling off subsequently.

In the Food Service sector, demand has been significantly lower than usual since the start of the pandemic as restaurants and other public services, such as schools and day-care centres, have, from time to time, operated at a smaller scale than normal. Demand in the Food Service channel has gradually picked up since late spring 2021 but has still remained below the pre-pandemic level.

OILSEED PRODUCTS

During the pandemic, the demand for vegetable oils has grown particularly in the retail segment. In the professional food service sector, the demand for vegetable oils returned to the pre-pandemic level in the second quarter of 2021.

GRAIN TRADE

In the Grain Trade business, the COVID-19 pandemic has only had a minor impact, mainly in the form of increased market volatility in the early stages of the pandemic.

Apetit aims to anticipate the business impacts of the pandemic to the greatest extent possible and consider the impacts of various scenarios on the Group's operations in the short term as well as the long term.

Apetit's measures related to the COVID-19 pandemic

Apetit's goal during the COVID-19 pandemic has been to ensure the health of employees, customers and other stakeholders while ensuring the undisrupted continuation of production, business operations and the food supply chain.

To this end, the production units and other operations have implemented various arrangements to minimise interaction between employees and with outside parties, increased the use of personal protective equipment, further improved hygiene standards at various work areas and instructed office employees to work remotely.

Apetit ensures the functioning of the food supply chain by complying with the guidelines issued by the authorities and by preparing for both exceptional and normal operating conditions in its businesses. The precautionary measures take into account all of the key functions in the company's value chain, such as raw material sourcing and the procurement of materials as well as production and logistics, customer cooperation, sales and support functions. During the COVID-19 pandemic, the Finnish food supply chain has proved its resilience and functionality even under difficult and exceptional circumstances. This has led to a marked increase in the visibility and appreciation of domestic food production.

Value Creation at Apetit

Apetit's ability to create value is based on strong integration with Finnish primary production, the unique value chain, strong and attractive brands and products, continuous improvement of operational efficiency, and sustainable actions at every stage of the value chain.

Apetit's value creation model is described in more detail in its annual report.

Strategy

STRATEGY PERIOD 2020–2022

Apetit Plc published its strategy for 2020–2022 in May 2020. A key feature of the renewed strategy is strengthening the existing unique value chain that has a strong foundation in Finnish primary production. The operations of the strategy period aim towards the objective of building Apetit into a successful Finnish company focusing on plant-based food products.

In its strategy, Apetit focuses on utilising its existing strengths and strengthening them further in all of its business areas. A key factor in everything Apetit does is ensuring future success.

Apetit has identified the phenomena in the operating environment that both steer and support the company's strategy and its implementation: The demand for plant-based food products is on the increase. As culinary trends, making daily life easier, well-being and the origin of food are highlighted further. In addition, the frozen foods market will grow. In the big picture, climate change will increase extreme weather phenomena and seasonal variations in harvest. Climate-responsible everyday actions are emphasised in the building of a sustainable food supply chain through different value chains.

STRATEGIC FOCUS AREAS AND KEY MEASURES IN 2021

Optimising core business functions

We will improve process efficiency in all of our operations. We will scale our operations in relation to the company's existing size. We will improve resource efficiency through partnerships. We will develop our trading ability in the grain trade.

Key measures in 2021:

- Commissioning of the bioenergy plant at the Kantvik vegetable oil milling plant in Kirkkonummi.
- Investments to improve production and material efficiency at the Säkylä plant.
- Agreement on selling the Baltic operations of the Grain Trade business to Scandagra Group, which is a leading agriculture company in the Baltic countries.

Strong foothold in Sweden

We will strengthen the Swedish market as the primary focus area of food exports. We will ensure and deepen our existing customer relationships and also build new customer relationships. We will develop and expand our market-specific product portfolio. We will build appropriate partnerships for other selected markets.

Key measures in 2021:

- Expansion of the Apetit product selection in ICA, the largest retail chain in Sweden.
- New retail customers in Sweden.
- Strengthening of partnerships and product launches in other markets.
- Systematic increase of the total export volume.

Growth from plant-based added value products

We will increase the sales of our existing product portfolio and expand our customer base. We will expand to new product segments. We will strengthen our commercial position in the Food Service channel. We will create a model for the commercialisation of the rapeseed protein ingredient.

Key measures in 2021:

- Continuous development of new plant- and fish-based products and product groups.
- Launch of a new product group: the Meal Bowl ready meals to shops' frozen food sections.
- Expansion of the local fish product family: the launch of Baltic Sea Fish Fingers.
- Launch of the small-scale production of the rapeseed protein ingredient.

Developing farming partnerships

Food Solutions: We will expand contract farming in pea and possible new plants. We will improve the preconditions for farming by developing cultivation measures, soil fertility and plant protection measures, among other things. We will make use of new opportunities, such as carbon farming.

Oilseed Products: We will deepen our contract farming model to ensure the availability of Finnish raw materials.

Grain Trade: We will become the farmer's primary partner by developing logistics solutions and utilising selected partnerships.

Key measures in 2021:

- Active participation in the Räpi experimental farm's projects promoting soil fertility and carbon sequestration.

- Increase in oilseed plant contract farming in accordance with the set objective.
- Continuous cooperation with growers: advice and training.

Sustainable actions

We will promote cultivation development and implement new sustainable cultivation methods. We will provide new diverse alternatives to increase plant-based and sustainable eating. We will make sustainability an even more intertwined part of all of our operations. We will decrease the Group's environmental and climate impacts in accordance with set objectives.

Key measures in 2021:

- Publication of an updated corporate responsibility programme and targets.
- Calculation of the carbon footprint of domestic rapeseed oil.
- Development and standardisation of the Group's carbon footprint calculation to comply with the GHG Protocol (Scope 3).

Financial objectives

EBITDA will be EUR 14 million in 2022 (continuing operations in 2019 EUR 0.8 million)

Return on capital employed (ROCE %) > 8% (2019: -4.0%)

The realisation of set strategic objectives is based on regular harvest development and systematic execution of strategic measures. The company is open to corporate transactions that are in line with its strategy.

Investment

The Group's investment in non-current assets came to EUR 6.6 (7.8) million and was divided as follows: investment in Food Solutions totalled EUR 2.0 (2.9) million, in Oilseed Products EUR 3.7 (4.7) million, in Grain Trade EUR 0.0 (0.1) million and in Group Functions EUR 0.9 (0.1) million.

Personnel

Apetit's personnel strategy focuses on creating a safe and encouraging work atmosphere, enabling inspiring and goal-oriented leadership, developing competence, creating a bold corporate culture that enables experiments and improving the company's employer image.

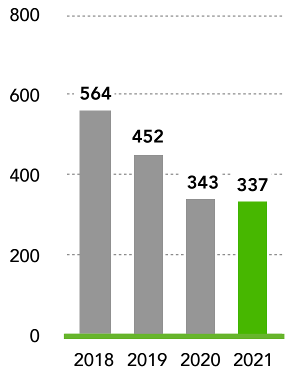
At Apetit, occupational safety culture is developed in line with the principle of continuous improvement. The key measures taken in 2021 to improve occupational safety were active and inclusive occupational safety communications and incident investigation as well as systematic safety observation practices.

In 2021, there were 18 (18) occupational accidents that led to at least a one-day absence. The accident frequency rate was 20 (28). Commuting accidents are also included in occupational accidents. Apetit aims for zero accidents. The occupational accident statistics include both blue-collar and white-collar employees.

Apetit seeks to reduce sickness absences. In 2021, the sickness absence rate among production employees was 7.4 (5.8) per cent. The sickness absence rate is the sickness absence time in relation to the theoretical regular working time.

Apetit monitors well-being at work and employee satisfaction by means of a Group-wide well-being at work survey, for example. In the survey, the personnel assess their experiences of personal well-being at work, the work atmosphere, safety at work, social support and supervisory work. The average result of the Työvire survey conducted in 2021 was 4.0 (3.9). The next survey will be conducted in March 2022.

Number of employees in the Group on average



In January–December 2021, the continuing operations had 337 (343) employees in full-time equivalents. Apetit Group had 346 (345) employees at the end of December, including all types of employment. The number of employees at Apetit's Säkylä plant varies during the year based on the harvest seasons.

The salaries and other remuneration paid to the employees in 2021 amounted to EUR 16.0 (16.9) million.

Aspects related to personnel are discussed in more detail in the People section of Apetit's annual report.

Human Rights And The Prevention Of Corruption And Bribery

Apetit requires its employees and partners to comply with its Code of Conduct. Apetit ensures the fair and equal treatment of employees by operating in line with the principles of its equality plan.

Apetit's Code of Conduct prohibits the acceptance of direct or indirect bribes, as well as other benefits that can be regarded as bribes to acquire or maintain business operations. Apetit's employees are required to familiarise themselves and comply with the Code of Conduct and report any deviations from the Code of Conduct via a designated whistleblowing channel. No reports were submitted via the whistleblowing channel in 2021.

In addition, Apetit's employees must not seek to ensure favourable decisions or services from the authorities through illegal means. Apetit's employees must also avoid situations that are in conflict or may be construed to be in conflict with the personal and business interests of the employee. Apetit provides training on the key principles of competition legislation to all office employees to ensure fair and transparent competition on the market.

Apetit's operating policy and ethical principles are supplemented by its ethical requirements for suppliers, which cover aspects related to laws and regulations, the environment, business ethics, forced and child labour, discrimination and oppression, the work environment and social conditions.

No human rights violations or corruption or bribery cases were reported in 2021.

Research and development

The Group's research and development costs were EUR 1.0 (1.0) million, or 0.4% (0.4%) of net sales. In addition, EUR 0.1 (0.2) million in product development costs was capitalised on the balance sheet during the financial year in relation to the development of the rapeseed ingredient.

In the Food Solutions business, research and development operations were mainly related to developing new products and creating cooperation networks that support operations.

Apetit is improving its products and creating brand new products to provide easy, delicious plant-based food solutions for different meal situations for people who value food that tastes good, is healthy and is produced responsibly. New products are developed to match market-specific preferences and nutritional recommendations, and for convenient everyday meals.

Vegetables, vegetable oils and whole grains are an important part of a healthy diet. In its products, Apetit pays special attention to attractive appearance and good taste, in addition to nutritional values, as only food that is actually eaten is nourishing.

In the Oilseed Products business, the company focused on increasing in-depth research and development. The project to enhance the added value of rapeseed as a raw material continued, with Business Finland participating in its funding. The purpose has been to develop an entirely new ingredient with high nutritional content for the international food market.

In December 2020, the European Commission granted a novel food authorisation for Apetit's rapeseed ingredient, the BlackGrain from Yellow Fields rapeseed powder. In 2021, Apetit continued to assess options related to the commercialisation of the ingredient and to develop new rapeseed-based ingredients.

The small-scale production of the rapeseed ingredient started in autumn 2021. The small-scale production makes it possible to deliver BlackGrain for customer samples and test runs as well as to the first customers. BlackGrain was used for the first time in a commercial product in early 2022 as Apetit Vegetable Ball was launched for the HoReCa market.

The strategic goals of the Oilseed Products business also include increasing the cultivation of oilseed plants in Finland. The achievement of this goal was promoted in many ways.

Apetit carries out cultivation research and development operations on its experimental farm in Köyliö with the aim of securing the outdoor cultivation of vegetables by taking proactive measures to adjust cultivation methods in response to a changing environment and by providing farmers with the latest information and expertise. Through these operations, Apetit is looking for alternatives to chemical pesticides and seeking ways to improve soil fertility and promote carbon sequestration, for example. Research topics include optimised crop rotation, the use of mulch films and insect nets, drip irrigation and drip fertilisation and mechanical weed separation. In addition to in-house research and development activities, Apetit participates in selected research projects and development programmes coordinated by various partners.

In 2021, the Räpi experimental farm had ongoing research projects to explore ways to improve natural soil fertility, especially from the point of view of vegetable cultivation. Research is carried out together with the Natural Resources Institute Finland and Pyhäjärvi Institute. The projects under way will provide more practical ways to promote soil fertility and mitigate nutrient runoffs as well as research data on the potential of using soil amendments and green manure.

The Natural Resources Institute Finland's Fertile vegetable soil (VIIVI) project started on Räpi's fields in April. During the project, grain, spinach and swede is grown on the Räpi field parcel dedicated to the project.

Pyhäjärvi Institute's BioEväät project is carried out on the Räpi farm for the second year. The aim of the project is to provide farmers with new methods to improve soil fertility and water resource management. One of the measures taken on the research parcel of the Räpi experimental farm is the application of zero fibre, a side stream of the forest industry, to reduce nutrient runoff and improve soil fertility.

Apetit is also involved in the Green Future of Satakunta project coordinated by Pyhäjärvi Institute, which aims, among other things, to develop the cultivation of domestic cauliflower and pulses. Domestic pulses will also be tested in diverse ways in Apetit's product development.

Environment

Apetit Group's operations are guided by its operating policy and ethical principles, the goals of which include responsible environmental management and the management of environmental impacts. The Group's environmental management system complies with the ISO 14001 standard in the Food Solutions business.

The goal is efficient and safe production that is in harmony with the environment. The environmental impacts of Apetit's Food Solutions business are related to energy and water consumption and the treatment of process side streams and waste. In the Oilseed Products business, environmental impacts are mainly related to energy consumption and the bleaching clay used in processing. The company uses a chemical-free mechanical method for vegetable oil milling. In addition, all operations generate a certain amount of packaging waste. Environmental impacts also arise from storage, transport and buildings. Apetit is committed to continuous improvement with regard to environmental issues.

Apetit participates in the Energy Efficiency Agreement system of Finnish industries and has committed to implementing the Food and Drink Industry Action Plan. The target for improving energy use in the food industry is 7.5 per cent for the 2017–2025 agreement period. In 2021, Apetit's energy consumption was 0.4 (0.5) MWh per tonne produced.

As part of improving its energy efficiency and increasing its use of renewable energy, Apetit commissioned the bioenergy plant built in conjunction with its vegetable oil milling plant in Kirkkonummi. The bioenergy plant replaced the previous energy solution that used non-renewable fuels and significantly reduces the Group's CO_2 emissions.

All of the electricity used by Apetit Group's production facilities has been generated from renewable energy sources starting from 1 April 2020. The use of energy produced with renewable natural resources and the development of energy efficiency have reduced the carbon footprint of Apetit Group's Scope 1&2 emissions by 56 per cent from 2019.

All of Apetit's production facilities that are required to have an environmental permit are in possession of a current permit. During the year, there were no interruptions or accidents with significant environmental impacts at the production facilities.

In accordance with the decision of the Vaasa Administrative Court of 30 December 2021, the environmental permit of Apetit's Säkylä plant remains unchanged. In its decision, the Administrative Court requires Apetit to submit a report to the state environmental permit authority by 31 December 2026, which must examine the conditions of the wastewater treatment plant, required for achieving a good treatment result, as well as explain the reasons for exceeding limit values, if any, and for insufficient treatment efficiency. Based on the report, the permit authority may specify permit regulations or supplement Apetit's environmental permit.

The company is not aware of any significant individual environmental risks on the balance sheet date. The Group's environmental costs were EUR 1.4 (1.0) million, or 0.5 (0.3) per cent of net sales.

Environmental aspects are discussed in more detail in Apetit's corporate responsibility report.

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 recognised on the balance sheet in the second half of the year than during the first 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 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 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 production in the Food Solutions segment 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 that 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.

Managing Corporate Responsibility

Apetit's operations are based on the company's values, vision and mission. Its sustainability work is guided by its strategy, operating policy and Code of Conduct, as well as its procurement principles, which are based on the UN Global Compact initiative. Apetit is committed to compliance with the laws and other regulations of its countries of operation.

Apetit seeks to treat all of its stakeholders equally. Continuous interaction with stakeholders, as well as an attentiveness to their needs and wishes, is one of the cornerstones of the company's sustainable operations.

Apetit builds its operations around domestic raw materials and sustainable practices. At Apetit, corporate responsibility covers the continuous improvement of operations throughout the value chain, from the cultivation and procurement of raw materials and production to customers and ultimately to consumers. Through its actions, Apetit wants to increase the well-being of both the environment and people. The idea is also part of the company's mission: Good food for everyone. Locally.

"Sustainable actions" is one of Apetit's strategic focus areas: We will promote cultivation development and implement new sustainable cultivation methods. We will provide new diverse alternatives to increase plant-based and sustainable eating. We will make sustainability an even more intertwined part of all of our operations and decrease the Group's environmental and climate impacts in accordance with set objectives.

Apetit seeks to understand the impact of its operations on people, society and the environment as comprehensively as possible. In cooperation with its key stakeholders, Apetit implemented an extensive process to determine the content of its corporate responsibility. This includes the most material aspects of its corporate responsibility for the systematic collection of key figures and information to continuously develop sustainable operations. The material themes of corporate responsibility were last updated in late 2020 on the basis of a stakeholder survey.

More information about Apetit's corporate responsibility is available in the corporate responsibility report. Apetit reports on its sustainable operations in accordance with the Core option of the Global Reporting Initiative (GRI) standards.

Risks, uncertainties and risk management

The Board of Directors of Apetit Plc has confirmed the Group's risk management policy and principles. All Group companies and business units regularly assess and report the risks related to their operations and the adequacy of controls and risk management methods. The risk assessments support the strategy work and decision-making and serve to ensure that sufficient measures are taken to control risks. The risk management framework, policies and principles are assessed and developed regularly.

Apetit Group's risks are divided into strategic, operational, financial and hazard risks. The Group's most significant strategic risks are related to the success of the development of its business portfolio in line with its strategy, and to changes in the Group's business sectors and customer relationships.

The main operational risks concern the availability of raw materials, the time lags between purchasing and sale or use, and fluctuations in raw material prices. Price risk management is particularly important in Grain Trade and Oilseed Products. The prices of grains and oilseeds are determined in the world market. In Grain Trade and Oilseed Products, limits are defined for open price risks.

The Group operates in international markets and is thus exposed to currency risks arising from changes in exchange rates. Under normal circumstances, currency risks are low. Financial risk management is discussed in more detail in Note 25 to the Financial Statements.

Fire, serious process disruptions, and defects in raw materials or final products affecting food safety can lead to major property damage, losses from production interruptions, liabilities and other indirect adverse effects on the company's operations. The Group companies guard against these risks by evaluating their processes through internal control and other systems and by taking corrective action where necessary. Insurance policies are used to cover all risks for which insurance can be justified on financial or other grounds.

The assessment of Apetit's most significant risks also covers significant non-financial risks. In addition, Apetit has identified risks related to the themes presented below, regardless of whether they are significant for Apetit as a whole. A typical effect of the realisation of a non-financial risk would be a negative reputation effect.

Apetit Group's Code of Conduct guides operations in all Group business segments and all operating countries. Apetit requires that all of its employees and suppliers comply with the Code of Conduct.

ENVIRONMENTAL RISKS

Apetit's operational activities do not involve significant environmental risks. The principal environmental risks at Apetit's production facilities concern potential wastewater and vegetable oil leaks into the environment and refrigerant leaks. Environmental risks are managed by means of internal and external inspections and by complying with environmental requirements and monitoring the company's environmental performance. Some of the company's operations have ISO 14001 environmental management systems.

SOCIAL AND EMPLOYEE-RELATED RISKS

Safety at work is vitally important for Apetit, and any occupational accidents are among its most significant social and employee-related risks. The company actively provides information about aspects related to occupational safety, and each supervisor must complete a training programme related to safety at work.

RISKS RELATED TO HUMAN RIGHTS

The most significant risks related to human rights arise from the production chain and are related to working conditions. Apetit is committed to, and requires its suppliers to commit to, its ethical requirements for suppliers, which describe sustainable operating principles concerning ethical, social and environmental aspects. In 2021, Apetit supplemented its procurement policy with sourcing responsibility guidelines. In its sourcing responsibility guidelines, Apetit has defined the statements required from suppliers regarding the management and realisation of social and environmental responsibility. The statement requirements vary according to the raw material's country of origin and significance.

RISKS RELATED TO CORRUPTION AND BRIBERY

If Apetit's employees or stakeholders engage in unethical operations, this may have a negative effect on Apetit's reputation, in addition to having financial effects. The most important management method to avoid unethical ways of working is to increase awareness of ethical operating methods, for example.

Corporate Governance

CORPORATE GOVERNANCE STATEMENT AND REMUNERATION REPORT

The 2021 Corporate Governance Statement and the Remuneration report for Apetit Plc has been considered by the Apetit Plc's Board of Directors and is published separately from the Board of Directors' report.

ANNUAL GENERAL MEETING 2021

Apetit Plc's Annual General Meeting was held in Säkylä on 28 May 2021. 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 2020.The Board of Directors' proposals to the Annual General Meeting were approved without changes.

DECISIONS OF THE ANNUAL GENERAL MEETING 2021

Dividend distribution

The AGM resolved that a dividend of EUR 0.50 per share be paid for the financial year 2020. The dividend was paid on 8 June 2021. No dividend will be paid on shares held by the company.

Remuneration Report for Governing Bodies

The AGM resolved to approve Apetit's Remuneration Report for Governing Bodies 2020. In accordance with the Limited Liability Companies Act, the resolution is advisory. The Remuneration Report is available on the company's website at apetit.fi/en/corporate-governance/remuneration.

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

It was confirmed that the Supervisory Board will have 18 members elected by the Annual General Meeting. Seven persons were elected to replace members of the Supervisory Board completing their term. Harri Eela, Juha Hämäläinen, Laura Hämäläinen, Jari Nevavuori and Markku Pärssinen were re-elected. Nicolas Berner and Kirsi Ahlgren were elected to the Supervisory Board as new members.

Pekka Perälä and Henrika Vikman were elected by the AGM as the members of the Nomination Committee of the Supervisory Board.

Ernst & Young Oy, Authorised Public Accountants, with Erika Grönlund, APA, as the auditor with principal responsibility and Osmo Valovirta, APA, were elected as the company's auditors for the period ending at the close of the 2022 AGM.

The AGM decided that a monthly fee of EUR 1,000 be paid to the Chair of the Supervisory Board and EUR 665 to the Deputy Chair. The AGM decided that the meeting allowance paid to the members of the Supervisory Board and the members of the Nomination Committee of the Supervisory Board would be EUR 300. Compensation for travelling expenses will be paid in accordance with the general travel rules of Apetit Plc. The AGM decided that the auditors' fees be paid according to an invoice approved by the company.

Authorising the Board of Directors to decide on the repurchase of the company's own shares

The AGM decided to authorise 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 approximately 1.27 per cent of all of the shares in the company. The authorisation includes the right to accept the company's own shares as a pledge.

The authorisation is valid until the close of the Annual General Meeting 2022, but no longer than until 31 May 2022.

Authorising the Board of Directors to decide on the issuing of new shares and on the transfer of Apetit Plc shares held by the company (share issue)

The AGM decided to authorise the Board of Directors to decide on issuing new shares as follows: based on the authorisation, a total maximum of 600,000 (six hundred thousand) shares can be issued, which corresponds to approximately 9.5 per cent of all shares of the company at this time. Both new shares and shares held by the company may be issued based on the authorisation.

The authorisation is valid until the close of the Annual General Meeting 2023, but no longer than until 31 May 2023. The authorisation replaces the previous share issue authorisation given on 27 March 2018.

ORGANISATION OF THE SUPERVISORY BOARD AND ELECTION OF THE BOARD OF DIRECTORS

At its organisational meeting on 17 August 2021, Apetit Plc's Supervisory Board appointed Harri Eela as Chair and Maisa Mikola as Vice Chair.

The Supervisory Board decided to elect five members to Apetit Plc's Board of Directors. Lasse Aho, Annikka Hurme, Kati Sulin, Antti Korpiniemi and Niko Simula were elected as members of the Board of Directors. Lasse Aho was appointed as Chair of the Board of Directors and Niko Simula as Deputy Chair.

At its organisational meeting, 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. Niko Simula was elected as the Chair of the Audit Committee and Annikka Hurme as a member.

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 in four instalments. It was also decided that the Chair and members of the Board of Directors be paid a meeting allowance of EUR 510 and EUR 300, respectively.

Changes in the Board of Directors

Kati Rajala resigned from Apetit Plc's Board of Directors on 31 May 2021. Simo Palokangas acted as Chair of Apetit Plc's Board of Directors until 17 August 2021.

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 financial year, 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.

SHARE ISSUE

During the period the company assigned against consideration, as a part of commitment and incentive scheme, on a directed share issue a total of 8,000 treasury shares held by Apetit Plc. The shares held by the company were acquired from the markets against at a total of 111,280 EUR fair value.

The subscription price per share was 13.91 EUR and it was determined by the price quote in public trading on the Nasdaq Helsinki. The shares assigned at the share issue sums up to 0.1 per cent of all the treasury shares.

TREASURY SHARES

At the end of the review period, the company held a total of 78,653 treasury shares acquired during previous years. These treasury shares represent 1.2 per cent of the company's total number of shares and votes. The company's treasury shares carry no voting or dividend rights.

FLAGGING ANNOUNCEMENTS

Apetit did not receive any flagging announcements during the financial year 2021

SHARE PRICE AND TRADING

The number of Apetit Plc shares traded on the stock exchange during the review period was 1,093,741 (1,627,429), representing 17.3 (25.8) per cent of the total number of shares. The highest share price quoted was EUR 14.90 (10.80) and the lowest was EUR 10.70 (7.12). The average price of shares traded was EUR 13.09 (8.94). The share turnover for the period was EUR 14.3 (14.5) million. At the end of the review period, the market capitalisation was EUR 81.2 (67.6) 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

In addition to the impacts of the ongoing COVID-19 pandemic, 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 grain, oilseed plants and field vegetables, the functioning of the financing markets, the solvency of customers, the delivery performance of suppliers and service providers, and changes in the Group's business areas and customer relationships.

Events after the end of the financial year

The company had no significant events after the end of the financial year.

Assessment of expected future development

The full-year operating profit from continuing operations is expected to improve year-on-year (EUR 2.8 million in 2021).

Board of Directors' proposals concerning profit measures and distribution of other unrestricted equity

The Board of Directors of Apetit Plc aims to ensure that the company's shares provide shareholders with a good return on investment and retain their value. In line with its dividend policy, the company will distribute at least 50 per cent of the profit for the financial year in dividends.

The parent company's distributable funds totalled EUR 51,755,599.32 on 31 December 2021, after deducting the loss for the financial year, EUR 435,239.47. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.40 per share be paid. The dividend corresponding to this proposal is EUR 2,527,030.40 for all the company shares on the balance sheet date and EUR 2,495,569.20 for the shares in external ownership. No significant changes have taken place in the financial standing of the company since the end of the financial year. The company's liquidity is good, and the Board deems that the company's solvency will not be jeopardised by the proposed distribution of dividends. No dividend will be paid on shares held by the company.

APPENDICES TO THE BOARD OF DIRESTORS' REPORT

Key indicators

Financial ratios

Profitability

EUR million	2021	2020	2019	2018	2017
					Continuing operations
Net sales	**283.9**	292.9	296.9	259.9	311.8
Exports	**108.5**	134.0	134.4	77.7	101.0
Operating profit	**2.8**	3.9	-4.8	0.5	1.1
% of net sales	**1.0**	1.3	-1.6	0.2	0.4
R & D expenses	**1.0**	1.0	1.3	1.3	1.9
% of net sales	**0.4**	0.4	0.4	0.4	0.6
Financial income (+)/expenses(-), net	**-0.4**	-0.5	-0.7	-0.4	-0.5
Result before taxes	**2.9**	3.7	-6.4	-0.6	1.6
% of net sales	**1.0**	1.3	-2.1	-0.2	0.5
Result for the period	**2.4**	3.1	-5.4	-0.4	2.9
% of net sales	**0.8**	1.0	-1.8	-0.2	0.9
Attributable to					
Shareholders of the parent company	**2.4**	3.1	-5.4	-0.4	2.9
Non-controlling interests	**-**	-	-	-	-

Finance and financial position

EUR million	2021	2020	2019	2018	2017
					Group
Return on equity, % (ROE)	**2.5**	3.4	-4.5	-7.0	2.5
Return on capital employed, % (ROCE)	**2.4**	3.3	-4.0	-7.0	1.9
Equity ratio, %	**59.4**	66.5	55.0	61.4	72.6
Net gearing, %	**26.6**	21.7	35.9	21.5	-9.6
Non-current assets	**68.0**	67.7	64.4	67.6	74.7
Inventories	**70.8**	58.7	66.4	80.9	45.8
Other current assets	**18.2**	16.3	39.9	16.1	34.2
Shareholders' equity	**93.3**	95.0	93.9	101.1	112.3
Distributable funds	**51.8**	55.2	55.1	58.6	62.6
Interest-bearing liabilities	**32.3**	21.7	36.6	24.4	4.9
Non-interest-bearing liabilities	**31.6**	26.1	40.3	39.0	37.6
Balance sheet total	**157.1**	142.8	170.8	164.6	154.7

Other indicators

EUR million	2021	2020	2019	2018	2017
					Continuing operations
Gross investments excluding business acquisitions	**6.6**	7.8	11.5	6.1	5.2
% of net sales	**2.3**	2.7	4.0	2.3	1.7
Gross investments excluding business acquisitions	**-**	0.0	-	0.6	0.4
% of net sales	**-**	0.0	-	0.2	0.1

	2021	2020	2019	2018	2017
					Group
Personnel, FTE	**337**	343	452	564	697

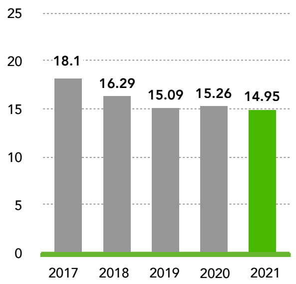
Share indicators

					Group
	2021	2020	2019	2018	2017
Earnings per share, EUR	**0.38**	0.52	-0.71	-1.21	-0.10
Dividend per share, EUR	**0.40***	0.50	0.45	0.40	0.70
Dividend per earnings, %	**105.4**	96.6	-	-	-
Effective dividend yield, %	**3.1***	4.7	5.7	4.4	5.0
P/E ratio	**33.9**	20.8	-	-	-
Shareholders' equity per share, EUR	**14.95**	15.26	15.09	16.29	18.10
Share performance, EUR					
Lowest price during the year	**10.70**	7.12	7.66	8.86	12.91
Highest price during the year	**14.90**	10.80	9.84	15.25	14.58
Average price during the year	**13.09**	8.94	8.54	11.68	13.67
Share price at the end of the year	**12.85**	10.70	7.84	9.00	14.12
Share turnover					
Share turnover (1,000 pcs)	**1,094**	1,627	1,252	635	835
Turnover ratio, %	**17.3**	25.8	20.0	10.0	13.0
Share capital, EUR million	**12.6**	12.6	12.6	12.6	12.6
Market capitalisation, EUR million	**81.2**	67.6	49.5	56.9	89.2
Dividends, EUR million	**2.5***	3.1	2.8	2.5	4.3

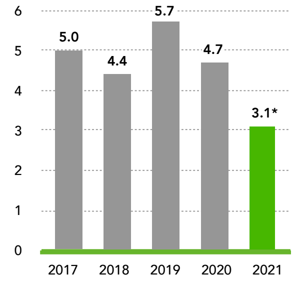
					Group
Number of shares, pcs	2021	2020	2019	2018	2017
Number of shares	**6,317,576**	6,317,576	6,317,576	6,317,576	6,317,576
Average adjusted number of shares	**6,234,286**	6,223,332	6,217,118	6,210,652	6,202,128
Adjusted number of shares at the end of the period	**6,238,923**	6,228,346	6,222,876	6,216,621	6,206,150
Number of own shares	**78,653**	89,230	94,700	100,955	111,426

* Proposal of the board of directors

Shareholders' equity per share, EUR

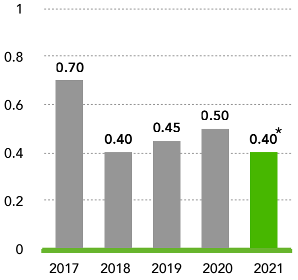


Effective dividend yield 2017-2021, %



*Board's proposal

Dividend/share 2017-2021, EUR



*Board's proposal

Calculation of key indicators

IFRS KEY FIGURES

Earnings per share = $\frac{\text{Net income attributable to the equity holders of the parent}}{\text{Average number of outstanding shares during financial year}}$

ALTERNATIVE PERFORMANCE MEASURES

According to the ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures, an Alternative Performance Measure (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. In addition to IFRS key figures, Apetit uses and reports the following alternative performance measures:

Return on equity (ROE), % = $\frac{\text{Profit/loss for the period}}{\text{Total equity (average for the beginning and end of the period)}}$

Return on capital employed (ROCE), % = $\frac{\text{Operating profit}}{\text{Capital employed, average of the last five quarter ends}}$

Capital employed = Equity + interest-bearing liabilities

Equity ratio, % = $\frac{\text{Total equity}}{\text{Total assets - Advance payments received}}$

Gearing, % = $\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$

Interest-bearing net liabilities = Interest-bearing liabilities - Cash and cash equivalents - Short term investments

Dividend per earnings, % = $\frac{\text{Dividend per share}}{\text{Earnings per share}}$

Effective dividend yield, % = $\frac{\text{Dividend per share}}{\text{Share price at the end of the period}}$

Price/earnings ratio (P/E) = $\frac{\text{Share price at the end of the period}}{\text{Earnings per share}}$

Shareholders' equity per share = $\frac{\text{Equity attributable to the equity holders of the parent company}}{\text{Basic number of outstanding shares on 31 December}}$

Market capitalisation = Basic number of outstanding shares x Closing share price

Major Shareholders on 31 December 2021

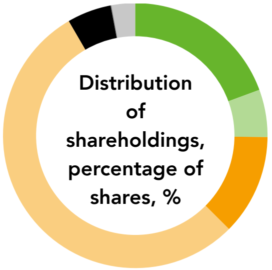
	Number of shares	%	Number of votes	%
Valio's Pension Fund	580,108	9.2	580,108	9.3
Berner Oy	499,667	7.9	499,667	8.0
Eela Esko	392,392	6.2	392,392	6.3
Nordea Nordic Small Cap Fund	347,860	5.5	347,860	5.6
EM Group Oy	141,747	2.2	141,747	2.3
Central Union of Agricultural Producers and Forest Owners	125,485	2.0	125,485	2.0
Skandinaviska Enskilda Banken ABP, Helsinki Branch	120,986	1.9	120,986	1.9
Eira Capital Oy	104,187	1.6	104,187	1.7
Laakkonen Mikko	102,802	1.6	102,802	1.6
Pharmacies Pension Fund	90,395	1.4	90,395	1.4
Top 10 sub-total	2,505,629	39.7	2,505,629	40.2
Nominee-registered shares	181,264	2.9	181,264	2.9
Other shareholders	3,552,030	56.2	3,552,030	56.9
External ownership total	6,238,923	98.8	6,238,923	100.0
Shares owned by the company	78,653	1.2		
Total	**6,317,576**	**100.0**		

Distribution of ownership on 31 December 2021

	% of shareholders	% of shares
Companies total	2.4	19.4
Financial and insurance institutions	0.1	5.8
Public organisations	0.2	12.3
Private households	96.1	54.2
Non-profit organisations	0.9	5.4
Foreign owners	0.3	0.1
Nominee-registered		2.9
Total		100.0

Distribution of shareholdings on 31 December 2021

Shares		Number of shareholders, pcs	% of shareholders	Number of shares, pcs	% of shares
1	100	6,554	55.0	261,160	4.1
101	500	3,962	33.2	955,567	15.1
501	1000	805	6.8	599,845	9.5
1001	5000	510	4.3	1,005,240	15.9
5001	10000	48	0.4	315,933	5.0
10001	50000	25	0.2	529,727	8.4
50001	100000	3	0.0	234,870	3.7
100001	500000	8	0.1	1,835,126	29.0
500001		1	0.0	580,108	9.2
Total		**11,916**	**100.0**	**6,317,576**	**100.0**



- Companies total 19.4%
- Financial and insurance institutions 5.8%
- Public organisations 12.3%
- Private households 54.2%
- Non-profit organisations 5.4%
- Foreign owners 0.1%
- Nominee-registered 2.9%

- Companies total 2.4%
- Financial and insurance institutions 0.1%
- Public organisations 0.2%
- Private households 96.1%
- Non-profit organisations 0.9%
- Foreign owners 0.3%

FINANCIAL REVIEW

Consolidated Statement of Comprehensive Income

EUR million	Note	1-12/2021	1-12/2020
CONTINUING OPERATIONS			
NET SALES	(2)	**283.9**	292.9
Other operating income	(4)	**0.9**	1.0
Material and services	(7)	**-234.4**	-240.3
Employee benefits expense	(5)	**-19.3**	-20.0
Depreciation and amortisation	(2,8)	**-6.3**	-6.1
Impairment	(2,8)	**-0.0**	-0.0
Other operating expenses	(4)	**-21.9**	-23.5
OPERATING PROFIT	(2)	**2.8**	3.9
Financial income	(9)	**0.0**	0.0
Financial expenses	(9)	**-0.4**	-0.5
Share of profit/loss accounted for using the equity method	(14)	**0.4**	0.3
PROFIT/LOSS BEFORE TAX		**2.9**	3.7
Tax on income from operations	(10)	**-0.5**	-0.6
Profit/loss from continuing operations		**2.4**	3.1
DISCONTINUED OPERATIONS			
Profit/loss from discontinued operations	(3)	**-**	0.1
PROFIT/LOSS FOR THE PERIOD		**2.4**	3.2

EUR million	Note	1-12/2021	1-12/2020
Earnings per share calculated on profit attributable to equity holders of the parent			
Earnings per share, basic, Continuing Operations		**0.38**	0.49
Earnings per share, basic, Discontinued Operations		**-**	0.02
Earnings per share, basic	(12)	**0.38**	0.52
Earnings per share, diluted, Continuing Operations		**0.38**	0.49
Earnings per share, diluted, Discontinued Operations		**-**	0.02
Earnings per share, diluted	(12)	**0.38**	0.52
Profit attributable to:			
Owners of the parent company		**2.4**	3.2
Other comprehensive income:			
Exchange differences on translating foreign operations		**0.0**	-0.0
Cash flow hedges	(25)	**-1.0**	0.6
Items that may be reclassified subsequently to profit or loss		**-1.0**	0.6
Other comprehensive income for the year net of tax		**-1.0**	0.6
TOTAL COMPREHENSIVE INCOME		**1.3**	3.8
Total comprehensive income attributable to:			
Owners of the parent company		**1.3**	3.8

Consolidated Statement of Financial Position

EUR million	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Intangible assets	(13)	**1.8**	2.3
Goodwill	(13)	**0.4**	0.4
Property, plant, equipment	(13)	**38.2**	36.1
Right-of-use assets	(13)	**3.0**	4.6
Shares in associated companies	(14)	**19.9**	19.7
Other non-current financial assets	(15)	**0.3**	0.3
Non-current trade and other receivables	(16)	**0.0**	0.0
Deferred tax assets	(11)	**4.2**	4.3
Non-current assets		**68.0**	67.7
Current assets			
Inventories	(18)	**70.8**	58.7
Trade receivables and other receivables	(17)	**10.8**	15.2
Cash and cash equivalents	(19)	**7.5**	1.1
Current assets		**89.1**	75.1
Non-current assets held for sale	(3)	**0.1**	-
ASSETS		**157.1**	142.8

EUR million	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Share capital	(20)	**12.6**	12.6
Share premium	(20)	**23.4**	23.4
Unrestricted equity reserve		**0.1**	-
Treasury shares		**-1.2**	-1.3
Reserves		**6.2**	7.4
Translation differences		**-0.0**	-0.0
Retained earnings without profit/loss for the period		**49.7**	49.8
Profit/loss for the period		**2.4**	3.2
Equity attributable to owners of the parent company		**93.3**	95.0
EQUITY		**93.3**	95.0
Non-current liabilities			
Deferred tax liabilities	(11)	**0.1**	0.1
Non-current liabilities, interest-bearing	(23)	**1.8**	3.9
Non-current interest-free liabilities	(24)	**0.1**	0.2
Liabilities from defined benefit plan	(21)	**0.2**	0.2
Non-current liabilities		**2.3**	4.4
Current liabilities			
Current interest-bearing liabilities	(23)	**30.5**	17.8
Trade payables and other liabilities	(24)	**31.1**	25.6
Current liabilities		**61.5**	43.4
Liabilities	(2)	**63.8**	47.8
EQUITY AND LIABILITIES		**157.1**	142.8

Consolidated Statement of Cash Flows

EUR million	Note	1-12/2021	1-12/2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss for the period		**2.4**	3.2
Adjustments to cash flow from operating activities	*	**7.0**	6.9
Working capital changes		**-3.7**	17.3
Interest paid		**-0.3**	-0.5
Other financial items		**-0.2**	-
Interest received		**0.0**	0.0
Income taxes paid		**-0.2**	-0.1
Net cash from operating activities		**5.0**	26.8
Cash flows from investing activities			
Purchase of tangible and intangible assets		**-6.6**	-7.9
Proceeds from sale of tangible and intangible assets		**0.1**	0.0
Acquisition of subsidiaries, net of cash acquired		**-**	-1.0
Proceeds from sales of business operations	(3)	**-**	-0.1
Purchase of investments		**-**	-0.0
Proceeds from sale of investments		**0.0**	-0.0
Dividends received		**0.2**	0.0
Net cash used in investing activities		**-6.3**	-8.9
Cash flows from financing activities			
Proceeds from sale of treasury shares		**0.1**	-
Repayment of current borrowings	(22)	**-1.0**	-
Addition / deduction of current borrowings	(22)	**13.0**	-14.3
Repayment of non-current borrowings	(22)	**-**	-1.0
Payment of lease liabilities	(22)	**-1.4**	-1.6
Dividends paid		**-3.1**	-2.8
Net cash used in financing activities		**7.7**	-19.7

EUR million	Note	1-12/2021	1-12/2020
Net change in cash and cash equivalents		**6.4**	-1.8
Cash and cash equivalents at the beginning of the period	(19)	**1.1**	2.9
Effects of exchange rate fluctuations on cash held		**-0.0**	0.0
Cash and cash equivalents at the end of the period	(19)	**7.5**	1.1
*** Adjustments to cash flow from operating activities**			
Depreciation, amortisation and impairment		**6.3**	6.1
Gains and losses of disposals of fixed assets and other non-current assets		**-0.1**	-0.2
Share of profit/loss accounted for using the equity method	(14)	**-0.4**	-0.3
Financial income and expenses		**0.4**	0.5
Tax on income from operations	(10)	**0.5**	0.7
Other adjustments		**0.1**	0.0
Total		**7.0**	6.9

Consolidated Statement of Changes in Equity

EUR million	Share capital	Share premium	Unrestricted equity reserve	Treasury shares	Hedging reserve	Other reserves	Translation differences	Retained earnings	Total equity
EQUITY 1.1.2021	**12.6**	**23.4**	**-**	**-1.3**	**0.1**	**7.2**	**-0.0**	**53.0**	**95.0**
Profit/loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.4**	**2.4**
Cash flow hedges	**-**	**-**	**-**	**-**	**-1.0**	**-**	**-**	**-**	**-1.0**
Translation differences	**-0.0**	**-**	**-**	**-**	**-**	**-**	**0.0**	**0.0**	**0.0**
Comprehensive income	**-0.0**	**-**	**-**	**-**	**-1.0**	**-**	**0.0**	**2.4**	**1.3**
Dividend distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-3.1**	**-3.1**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.1**	**0.1**
Other changes	**0.0**	**-0.0**	**0.1**	**0.1**	**-0.1**	**-**	**-**	**-0.2**	**-0.0**
Changes in equity total	**-0.0**	**-0.0**	**0.1**	**0.1**	**-1.1**	**-**	**0.0**	**-0.8**	**-1.7**
EQUITY 31.12.2021	**12.6**	**23.4**	**0.1**	**-1.2**	**-1.0**	**7.2**	**-0.0**	**52.1**	**93.3**
EQUITY 1.1.2020	12.6	23.4	-	-1.3	-0.5	7.2	-0.0	52.6	93.9
Profit/loss for the period	-	-	-	-	-	-	-	3.2	3.2
Cash flow hedges	-	-	-	-	0.6	-	-	-	0.6
Translation differences	-0.0	-	-	-	-	-	-0.0	0.0	-0.0
Comprehensive income	-0.0	-	-	-	0.6	-	-0.0	3.2	3.8
Dividend distribution	-	-	-	-	-	-	-	-2.8	-2.8
Share-based payments	-	-	-	-	-	-	-	0.1	0.1
Other changes	-0.0	-	-	0.1	0.0	-	-	-0.1	0.0
Changes in equity total	-0.0	-	-	0.1	0.6	-	-0.0	0.4	1.1
EQUITY 31.12.2020	12.6	23.4	-	-1.3	0.1	7.2	-0.0	53.0	95.0

Notes to the Consolidated Financial Staement

NOTE 1. ACCOUNTING PRINCIPLES

Company details

Apetit plc is a Finnish public limited company established under Finnish law. Its registered office is in Säkylä and the registered address is PO Box 100, FI-27801 Säkylä, Finland. Business ID is 0197395-5. The company's name is Apetit Oyj, in Swedish Apetit Abp and in English Apetit plc.

On 16 February 2022, the Apetit plc Board of Directors approved the financial statements for publication. According to the Finnish Companies Act, shareholders have the option of approving or rejecting the financial statements at the Annual General Meeting held after their publication. The Annual General Meeting also has the opportunity to make a decision to amend the financial statements.

Main operations

Apetit plc is a food industry company listed on the Nasdaq Helsinki Ltd. The trading code of the share is APETIT.

Apetit's continuing operations are Food Solutions, Oilseed Products and Grain Trade. In addition to the three reporting segments, Apetit reports Group Functions, consisting of Group management, strategic projects and listing on the stock exchange. Apetit's primary market is Finland. On 10 July 2019, Apetit Plc signed an agreement on selling its fresh cut business to Swedish Greenfood AB. The transaction was completed on 30 September 2019. In these financial statements, the transferred business is reported as a discontinued operation.

Operating segments	Products and services
FOOD SOLUTIONS	
Apetit Ruoka Oy	Frozen foods
GRAINS AND OILSEEDS BUSINESS	
Avena Nordic Grain Oy	Trade in grains, oil seeds and animal feedstuff
UAB Avena Nordic Grain, Lithuania	Trade in grains, oil seeds and animal feedstuff
Avena Nordic Grain OÜ, Estonia	Trade in grains, oil seeds and animal feedstuff
SIA Avena Nordic Grain, Latvia	Trade in grains, oil seeds and animal feedstuff
OOO Avena-Ukraine, Ukraine *	Trade in grains, oil seeds and animal feedstuff
*ended in 2020	
OILSEEDS PRODUCTS	
Avena Nordic Grain Oy	Trade in vegetable oils and protein feed
Avena Kantvik Oy	Manufacture of vegetable oils and protein feed
GROUP FUNCTIONS	
Apetit Oyj	Group management, strategic projects and listing on the stock exchange
Foison Oy	Holding in Avena Nordic Grain Oy
Lännen Sokeri Oy	Non-operative company
ASSOCIATED COMPANIES	
Sucros group	Manufacture, marketing and sales of sugar
Foodwest Oy	Food product development company

Accounting principles

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) complying the IAS and IFRS standards as well as the SIC and IFRIC interpretations valid on the date of the financial statement. The International Reporting Standards refer to standards and their interpretations approved for adoption within the EU in accordance with the procedure enacted in EC regulation 1606/2002. The notes to the consolidated financial statements are also in accordance with Finnish accounting and company legislation. The consolidated financial statements have been drawn up on the basis of historic acquisition costs, except for those financial assets and liabilities which are recognised in income at fair value and derivative financial instruments measured at fair value.

Preparation of the financial statements in accordance with the IFRS standards requires the Group's management to make certain assessments and exercise judgement in applying the accounting principles. Details of the judgements made by the management in applying the accounting principles observed by the Group, and of those aspects which have the greatest impact on the figures reported in the financial statements, are given below under the heading 'Accounting principles requiring executive judgement and the main uncertainties concerning the assessments made'.

CONSOLIDATION PRINCIPLES

Control is created if the Group is exposed to a variable return on the investee or is entitled to its variable return and is also able to exercise its power over the investee and thereby affect the amount of return received. Acquisition of subsidiaries is accounted for using the acquisition cost method. Acquisition cost is the aggregate of the consideration given at fair value at the time of acquisition and the amount of liabilities incurred or liabilities assumed. Identifiable assets and liabilities acquired in a business combination are measured initially at fair value at the time of acquisition, regardless of the amount of any minority interest. The amount by which the acquisition cost exceeds the Group's share of the fair value of the identifiable net assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, this difference is recognized directly in the income statement.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and the consolidation ends on the date that control ceases.

Intra-group transactions, receivables and liabilities as well as unrealised gains from intra-group transactions are eliminated in the consolidated financial statements. Unrealised losses are also eliminated unless the transaction indicates that the value of the transferred asset is impaired.

Associates are companies in which the Group has significant influence. Significant influence is exercised when the Group owns more than 20% of the voting rights of the company or otherwise has significant influence, but not control. Associates are consolidated in the consolidated financial statements using the equity method. If the Group's share of the losses of the associate exceeds the carrying amount of the investment, the investment is recorded in the balance sheet at zero value and the excess of the carrying amount is not aggregated unless the Group is committed to meeting the obligations of the associates. Unrealised gains between the Group and the associate have been eliminated in accordance with the Group's shareholding. An associate's investment includes goodwill arising from its acquisition.

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets and assets and liabilities related to discontinued operations are classified as held for sale if their carrying amounts are expected to be recovered primarily through sale rather than through continuing use. Classification as held for sale requires that the following criteria are met; the sale is highly probable, the asset is available for immediate sale in its present condition subject to usual and customary terms, the management is committed to the sale, and the sale is expected to be completed within one year from the date of classification.

Prior to classification as held for sale, the assets or assets and liabilities related to a disposal group in question are measured according to the respective IFRS standards. From the date of classification, non-current assets held for sale are measured at the lower of the carrying amount and the fair value less costs to sell, and the recognition of depreciation and amortization is discontinued. A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

The result from the discontinued operations is shown separately in the consolidated statement of income and the comparison figures are restated accordingly. Non-current assets held for sale are presented in the statement of financial position separately from other items. The comparison figures for the statement of financial position are not restated.

FOREIGN CURRENCY ITEMS

The figures for the financial performance and standing of each of the Group's units are measured in the currency of the unit's principal operating environment ('functional currency'). The consolidated financial statements are presented in euros, which is the functional and reporting currency of the Group's parent company. Foreign currency transactions are recognised as amounts denominated in the functional currency using the rate prevailing on the transaction date. At the balance sheet date, monetary receivables and payables are translated using the closing rate. Exchange differences arising from translation are recognised in the income statement. Exchange gains and losses from operating activities are included in the corresponding items above the operating profit.

The income statements of foreign subsidiaries have been translated into euros using average rates for the reporting period, and their balance sheets translated using the closing rates. The exchange difference due to the use of average rates in the income statement translations and closing rates in the balance sheet translations is recognised as a separate item under shareholders' equity.

In preparing the consolidated financial statements, the translation difference due to exchange rate fluctuations, in regard to the shareholders' equity of the subsidiaries and associates, is recognised via other comprehensive income in the translation differences of the consolidated shareholders' equity. If a foreign subsidiary or associate is disposed of, the accrued translation difference is recognised in the income statement under profit or loss.

NET SALES AND REVENUE RECOGNITION

Sales are recognised at the value that reflects the compensation the company expects to receive from its customers when control is transferred. The Group's sales in all business segments take place at a single time.

Food Solutions segment sells frozen vegetables and frozen ready meals to retail chains and food wholesalers operating in Finland and European Union. Finland is the main market area.

Grain Trade sells grains, oilseeds and feed raw materials mainly in Finland and within the European Union, but also in other markets. The largest one-off sales are maritime shipments that are recognised as revenue once control has been transferred to the buyer. Foreign grain trade complies with international delivery and trading terms and conditions, with monetary compensation mainly being transferred at the time of revenue recognition. Grain trade in Finland is primarily based on selling on credit in line with regular terms and conditions.

Oilseed Products segment sells vegetable oils and expeller. Sales focus on Finland, but there are also sales to the European Union and third countries.

The Group has factored a significant part of Finnish trade receivables to a financial institution, which bears e.g. the customer's credit risk. Foreign credit sales are either factored or hedged with credit insurance. The international sales of the Grain Trade mainly follow international "Cash against documents" trading practices, where credit risk does not arise. The sale of receivables to a financial institution and the use of credit insurance reduce the Group's counterparty risk. Factored receivables are not included in the consolidated balance sheet.

Customary terms of payment apply to selling on credit. Some sales include customary bonus or marketing support obligations, which are assessed on an agreement level and regosnised in the income statement and in the balance sheet on accrual basis. The Group's sales do not involve material guarantees or other liabilities.

Interest income is recognized using the effective interest method and dividend income when the right to the dividend is recorded.

PENSION LIABILITIES

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

SHARE-BASED PAYMENTS

The fair value of the share-based payments is determined at the grant date. The expense is recognized evenly over the vesting period. The fair value of the payments settled in shares is determined based on Apetit Plc's share price at the stock exchange at the grant date deducted by expected dividends. The payments settled in cash are remeasured at each reporting date until the settlement. Apetit Plc share-based payments include only non-market-based performance criteria such as profitability conditions. The total amount to be expensed over the vesting period is determined based on the estimate of the number of the shares that are expected to be vested by the end of the vesting period. The impact of the revision of original estimates is recognized in the statement of income. On a cumulative basis expense is recognized only to the extent that share-based payments have finally vested. For payments settled in shares the expense is recognized against equity and for payments settled in cash the expense is recognized against liabilities/cash.

PROVISIONS

A provision is recognised when the Group has a legal or constructive obligation based on a past event and it is probable that the fulfilment of this obligation will require a contribution, and the amount of the obligation can be reliably estimated. Provisions are valued at the present value of the costs required to cover the obligation.

Provisions are made in connection with operational restructuring, onerous contracts, litigation and environmental and tax risks. A restructuring provision is recognised when a detailed and appropriate plan has been drawn up for it, sufficient grounds have been given to expect that the restructuring will occur and information has been issued on it.

INCOME TAXES

Income taxes recognised in the consolidated income statement comprise taxes levied on an accrual basis on the reporting period results of Group companies, based on the taxable profits calculated for each Group company in accordance with the local tax regulations, as well as tax adjustments from previous periods and changes in deferred tax.

Deferred tax assets and liabilities are calculated on the temporary differences between the taxable values and the book values of assets and liabilities, in accordance with the liability method. Deferred taxes are recognised in the financial statements using the tax rates that apply up to the balance sheet date.

The most material temporary differences arise from fixed assets, lease agreements, consolidation, inventories, unused tax losses and revaluation of derivative financial instruments. Deferred tax assets are recognised up to an amount where it is probable that they can be utilized against future taxable profits. Deferred taxes are not recognised on goodwill which is not tax deductible.

In the case of derivative financial instruments covered by hedge accounting and available-for-sale financial assets, the deferred taxes related to value adjustments recognised directly under the statement of comprehensive income are also recognised directly under the statement of comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when the accrued income taxes are levied on the same tax authority.

BORROWING COSTS

Borrowing costs are recognised under the expenses for the period in which they arose. Directly attributable borrowing costs related to the acquisition, construction or production of a qualifying asset, for example, factory building, are capitalised. Where clearly linked to a specific loan, transaction costs arising directly from loans are included in the loan's original amortised cost and divided into a series of interest expenses using the effective interest method.

RESEARCH AND DEVELOPMENT COSTS

Research costs is expensed as incurred. Development costs are recognised on the statement of financial position when all of the following criterias are met:

- research and development phases can be separated from each other

- completion is technically feasible so that the asset can be used or sold
- completion is certain and the asset will be either used or sold
- it can be demonstrated that the asset will generate probable future economic benefit and that the company has the adequate resources to use or sell the intangible asset
- development expenditure can be reliably measured

If the development expenditure does not meet all the above criteria, it is expensed as incurred.

INTANGIBLE ASSETS

Goodwill

Goodwill corresponds to that part of the cost of acquiring the company which is in excess of the Group's share of the fair value of the acquired company's net assets on the acquisition date. Goodwill is tested annually for impairment. For this purpose goodwill is allocated to appropriate cash-generating units. Goodwill is valued at historic acquisition cost less any impairment. In the case of associated company, goodwill is included in their investment value. Goodwill generated through acquisitions of foreign business combinations is measured in the currency of the foreign operations and translated using the period end rates.

Other intangible assets

An intangible asset is recognised in the balance sheet at the original acquisition cost in a case where the cost can be determined reliably and it is likely that an expected financial benefit derived from the asset will turn out to be to the company's benefit.

Patents, trademarks and other intangible assets with a limited useful life are capitalised in the balance sheet and amortised on a straight-line basis over the period of their useful lives. Intangible assets do not include assets with an unlimited useful life.

Depreciation period for intangible assets:

Development costs	5 years
Other intangible assetst	5–10 years

Assets whose useful life has not yet expired and fully depreciated fixed assets that are still used in operating activities are included in the acquisition cost of assets. Similar principles apply to accumulated depreciation.

Subsequent expenditure relating to intangible assets is recognised as an asset only if its financial benefit to the company exceeds the originally estimated level of performance. Otherwise the expenditure is recognised as a cost at the time it is incurred.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment have been measured at historic acquisition cost less depreciation and impairment. These assets are subject to straight-line depreciation over the period of their useful lives. The residual value of the assets and their useful lives are reviewed each time the financial statements are prepared and, when necessary, are adjusted to reflect any change in the economic benefits expected. Land is not subject to depreciation.

The estimated useful lives are as follows:

Property and plant	10–40 years
Machinery and equipment	5–15 years

Property, plant and equipment are no longer depreciated when they are classified as assets held for sale.

Assets whose useful life has not yet expired and fully depreciated fixed assets that are still used in operating activities are included in the acquisition cost of assets. Similar principles apply to accumulated depreciation. Repair and maintenance costs of tangible assets are recognised as expenses when incurred.

GOVERNMENT GRANTS

Government grants received for the acquisition of fixed assets are recognised as deductions in the book values for property, plant and equipment. The grants are released to profit through smaller depreciations during the use of the asset in question.

LEASES

Lease agreements are valued to present value by discounting contractual lease payments. The discount rate used in the valuation is the Group's incremental borrowing rate The maturity of a lease agreement is assessed on a contract-by-contract basis and the option to extend is used only when it is highly probable that sush option is to be excercised. The present value of the agreement is recognized in the balance sheet as a right-of-use asset and a right-of-use liability.

Right-of-use assets depreciated on a straight-line basis over the lease term. The rent payments are allocated to the principal and financial expenses. Financial expenses are calculated from the remaining right-of-use liability using the Group's incremental borrowing rate.

The Group uses the exemptions permitted by the standard and does not apply the standard to under 12 months short-term and low-value leases. Therefore, payments for short-term leases and low value leases are recognized as expenses on an accrual basis.

IMPAIRMENT

The book values for assets are assessed for any signs of impairment. If there are signs of impairment, an estimate is determined for the amount recoverable on the asset. An impairment loss is recognised if the balance sheet value of the asset or the cash-generating unit exceeds the recoverable amount. Impairment losses are recognised in the income statement.

The impairment loss of a cash-generating unit is first allocated to reducing the goodwill attributed to the unit, and then to reducing other assets of the unit on a pro rata basis.

The recoverable amount of intangible, tangible and right-of-use assets is determined at the higher of the fair value less costs to sell and the value in use. In determining the value in use, the estimated future cash flows are discounted to their present value on the basis of discount rates applying to the average pre-tax capital costs of the cash-generating unit in question. The discount rates also take into account any special risk associated with the cash-generating units.

Impairment losses on tangible, right-of-use and intangible assets other than goodwill are reversed if a change has occurred in the estimates used in determining the recoverable amount of the asset. The amount by which an impairment loss is reversed is no more than the book value (less depreciation) that would have been determined for the asset if no impairment loss had been recognised on it in previous years. Impairment losses recognised on goodwill are not reversed.

INVENTORIES

Inventories have been measured at the lower of acquisition cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business, after deduction of the estimated costs of completion and the estimated costs necessary to make the sale.

The value of inventories has been determined using the weighted average price method or standard costing method, and includes all direct costs of acquisition and other indirect costs to be allocated. The cost of each inventory item produced comprises not only the purchase costs of materials, direct labour costs and other direct costs, but also a proportion of production overheads, but not selling or financing costs. The value of inventories has been reduced for obsolescent assets.

FINANCIAL INSTRUMENTS

The Group's financial assets are classified into the following categories: financial assets measured at amortised cost and financial assets recognised at fair value through the income statement. This classification is based on the business model according to which the financial asset is managed and on agreement-based cash flow properties. Transaction costs are included in the original book value of the financial assets for items not measured at fair value through the income statement. All purchases and sales of financial assets are recognised on the transaction date. Financial assets recognised at fair value through the income statement include derivatives not covered by hedge accounting and publicly listed shares. Financial assets recognised at amortised cost include trade receivables and certain other receivables.

The Group may sell trade receivables to financing companies. Sold trade receivables are derecognised on the consolidated balance sheet once payment for the trade receivables has been received from the buyer and all material risks and benefits related to ownership have been transferred to the buyer.

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash, bank deposits from which withdrawals can be made and other short-term highly liquid investments. Items classified in cash and cash equivalents have a maximum of three months maturity from the acquisition date.

The Group's financial liabilities are classified as financial liabilities recognised at amortised cost and financial liabilities recognised at fair value through the income statement. Financial liabilities recognised at amortised cost include trade payables and other liabilities and loans, for example. Financial liabilities recognised at fair value through the income statement include derivatives that do not meet the criteria for hedge accounting. Unrealised and realised gains and losses related to changes in the fair values of such derivatives are recognised through the income statement for the period during which they arise.

Financial assets and liabilities values are measured primarily using publicly quoted prices. Market prices are normally available for commodity derivatives used by the Group. If publicly quoted prices are not available, fair value is measured with standardized valuation methods using for example interest rates and discounted cash flows and price quotations from market counterparties.

Financial liabilities are originally recognised at fair value less transaction costs directly related to the acquisition or issuance of the item in question. Financial liabilities, excluding derivative liabilities, are later measured at amortised cost using the effective interest method. Financial liabilities are included in non-current and current liabilities, and they may be interest-bearing or non-interest-bearing.

The Group determines impairment of financial assets measured at amortised cost based on expected credit losses. The estimate of a valuation allowance concerning expected credit losses is based on experiences of actual credit losses, considering the financial conditions at the time of examination and an estimate of future expectations. Trade receivables are derecognised on the balance sheet as final credit losses once it is no longer reasonable to expect payment for them. An indication of final payment failure is for example a payment being overdue by more than 90 days. If payment is later received for items recognised as final credit losses, the payment is recognised as offset on the same line in the income statement.

Derivative financial instruments are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value. The Group applies cash flow hedge accounting to certain interest rate swaps, forward currency and commodity derivative contracts. When hedging is initiated, the financial relationship between hedging instruments and hedged items is documented and whether changes in the cash flows of hedged items are expected to offset the changes in the cash flows of hedging instruments. In addition, the objectives of risk management and strategies for taking hedging actions are documented. The hedged cash flow must be highly probable, and the cash flow must ultimately affect the income statement.

For hedges that meet the terms for hedge accounting, the effective portion of the change in fair value of a hedge is recognised in the statement of comprehensive income until the hedged transaction affects the income statement. Any residual ineffective portion for interest rate and currency derivatives is recognised to financial items and for commodity derivatives to other operating income or expenses. The cumulative change in fair value recognised in other comprehensive income is recognised to purchases or sales or financial items based on their nature on the same date that the cash flow from the hedged transaction is recognised in the income statement. When a derivative financial instrument expires, is sold or does not meet the hedge accounting criteria, the cumulative change in the fair value of the hedging instrument will remain in the hedge reserve and is recognised in income statement on the same date that the cash flow of the hedged item is recognised in the income statement. The cumulative fair values of the hedging instruments are transferred immediately from the hedge reserve to other operating income or expense or financial items based on their nature if the hedged cash flow is no longer expected to occur.

Despite certain hedging relationships fulfil the effective hedging requirements of the Group's risk management policy, the Group does not apply hedge accounting to all transactions done in hedging purpose. These instruments' fair value changes are recognised in other operating income otr expense or financial items based on their nature.

EQUITY

Purchases of own shares are deducted from equity attributable to shareholders of the parent company up till the shares are cancelled or transferred back to circulation. Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

ACCOUNTING PRINCIPLES REQUIRING EXECUTIVE JUDGEMENT AND THE MAIN UNCERTAINTIES CONCERNING THE ASSESSMENTS MADE

In preparing the consolidated financial statements in accordance with international accounting practices, the company's management has had to make assessments and assumptions that affect the amount of assets, liabilities, income and expenses recognised in the accounts and the contingencies presented. These assessments and assumptions are based on experience and on other reasonable suppositions that are believed to be realistic in the circumstances that constitute the basis for the estimates of items recognised in the financial statements. The outcome may deviate from these estimates.

The Group tests annually goodwill from the associated company Sucros Oy and from Frozen foods products for possible impairment and assesses any indication of impairment. The recoverable amounts of units that generate cash flow are based on value in use calculations. These calculations require the use of estimates.

Determination of the fair value of tangible and intangible assets acquired in business combinations requires estimations by management and is often based on assessment of asset cash flows.

The utilization of deferred tax assets against future taxable income is assessed annually based on management's assessment.

Other assessments including management judgement are mainly related to restructuring plans, the extent of obsolescent inventories, environmental, litigation and tax risks.

PREPARATION OF FINANCIAL STATEMENTS IN ESEF FORMAT

The financial statements are reported in electronic ESEF format. The main statements of the financial statements: consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in equity are marked with the XBRL taxonomy. The ESEF fromat financial statements have not been audited.

NEW IFRS STANDARDS AND IFRIC INTERPRETATIONS

The new IFRS standards, amendments to standards and IFRIC interpretations effective after the end of the financial year are not expected to have a material impact on the Group.

NOTE 2. OPERATING SEGMENTS

The segment information is based on the Group's organisation and management reporting structure.

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

Discontinued operations include the Fresh Cut Products business, which was classified as a discontinued operation in 2019 and was sold in 2019 to the Swedish Greenfood Group. The result of discontinued operations for the financial year 2020 consists of the adjustment of the purchase price.

Intra-group sales take place at arm's length prices. The assets and liabilities of a segment are such items of the business operations that the segment uses in its business operations or that can be allocated to a segment on reasonable basis. Tax and financing items together with items common to the whole Group are unallocated assets and liabilities. Reported figures are based on IFRS standards.

Segments 1-12/2021

EUR million	Food solutions	Oilseed products	Grain trade	Group Functions	Continuing Operations	Discontinued Operations	Apetit Group
Segment net sales	61.5	88.1	164.5	-	314.1	-	314.1
Intra-group net sales	-0.0	-0.5	-29.7	-	-30.2	-	-30.2
Net sales	61.5	87.6	134.8	-	283.9	-	283.9
OPERATING PROFIT	5.9	2.0	-3.0	-2.2	2.8	-	2.8
Assets	37.6	45.2	37.1	-	119.8	-	119.8
Unallocated							37.2
Total assets	37.6	45.2	37.1	-	119.8	-	157.1
Liabilities	12.8	7.5	14.3	-	34.6	-	34.6
Unallocated					-		29.2
Total liabilities	12.8	7.5	14.3	-	34.6	-	63.8
Gross investments in non-current assets	2.0	3.7	0.0	0.9	6.6	-	6.6
Business acquisitions and other investments	-	-	-	-	-	-	-
Depreciation and amortisation	3.3	1.3	1.0	0.7	6.3	-	6.3
Impairment	0.0	-	-	-	0.0	-	0.0
Personnel, FTE	232	42	51	12	337	-	337

Segments 1-12/2020

EUR million	Food solutions	Oilseed products	Grain trade	Group Functions	Continuing Operations	Discontinued Operations	Apetit Group
Segment net sales	60.1	65.8	194.3	-	320.3	0.0	320.3
Intra-group net sales	-0.0	-0.4	-26.9	-	-27.3	-	-27.3
Net sales	60.1	65.5	167.4	-	292.9	0.0	293.0
OPERATING PROFIT	5.0	2.0	0.1	-3.2	3.9	0.2	4.1
Assets	39.4	29.6	43.8	-	112.8	-	112.8
Unallocated							30.0
Total assets	39.4	29.6	43.8	-	112.8	-	142.8
Liabilities	14.3	4.3	13.0	-	31.7	-	31.7
Unallocated							16.1
Total liabilities	14.3	4.3	13.0	-	31.7	-	47.8
Gross investments in non-current assets	2.9	4.7	0.1	0.1	7.8	-	7.8
Business acquisitions and other investments	0.0	-	-	-	0.0	-	0.0
Depreciation and amortisation	3.4	1.0	0.9	0.8	6.1	-	6.1
Impairment	0.0	-	-	0.0	0.0	-	0.0
Personnel, FTE	235	43	53	12	343	-	343

Geographical information

	Net sales		Non-current assets	
EUR million	2021	2020	2021	2020
Finland	**175.4**	158.9	**67.9**	67.7
Norway	**16.7**	14.9	**-**	-
Germany	**19.4**	19.4	**-**	-
Sweden	**6.2**	7.6	**-**	-
Other countries	**66.2**	92.2	**0.1**	0.1
Total	**283.9**	293.0	**68.0**	67.7

The Group has no customers representing more than 10 percent of the Group's net sales.

NOTE 3. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

Discontinued operations

FRESH CUT PRODUCTS BUSINESS

In July 2019, Apetit agreed to sell Fresh Cut Products business to the Swedish Greenfood Group. The transaction was completed on September 30, 2019 as a business transaction, including Apetit's factory property located in Kivikko, Helsinki with machinery and equipment. The personnel of the Fresh Cut Products business 102 people were transferred to Salico Oy, the Finnish subsidiary of Greenfood AB, as former employees. During the 2021 financial year, there were no events related to discontinued operations.

Result from discontinued operations

EUR million	1-12/2021	1-12/2020
REVENUE	-	0.0
Other income and expense items	-	0.1
OPERATING PROFIT	-	0.2
PROFIT/LOSS BEFORE TAX	-	0.2
Tax on income from operations	-	-0.0
PROFIT/LOSS FOR THE PERIOD	-	0.1

Consideration received

EUR million	1-12/2021	1-12/2020
Costs attributable to the sales of business and adjustments to consideration	-	0.2
Gain on sale before income tax	-	0.2
Income tax expense	-	-0.0
Gain on sale after income tax	-	0.1

Gain on sale before income tax is included in Income and Expenses in the Result for the period, discontinued operations.

Consideration received

EUR million	1-12/2021	1-12/2020
Costs attributable to the sales of business and adjustments to consideration	-	-0.1
Net cash flow from disposal of business	-	-0.1

Non-current assets held for sale

Baltic operations of the Grain Trade

Apetit Group’s subsidiary Avena Nordic Grain has signed an agreement on selling the Baltic operations of the Grain Trade business to Scandagra Group. The sale covers the business and assets of Avena’s companies in Estonia and Lithuania. The transaction is expected to be completed during the first quarter of 2022. In order to be completed, the transaction requires the approval of the competition authorities in Lithuania.

Non-current assets and relating liabilities held for sale

EUR million	1-12/2021	1-12/2020
Tangible assets	**0.1**	-
Non-current assets held for sale	**0.1**	-

NOTE 4. OTHER OPERATING INCOME AND EXPENSES

EUR million	1-12/2021	1-12/2020
Other operating income		
Government subsidies	**0.1**	0.1
Gain on disposal of non-current assets, tangibles	**0.1**	0.1
Rental income	**0.2**	0.1
Other operating income	**0.5**	0.7
Total	**0.9**	1.0
Other operating expenses		
Rents and leases	**1.5**	1.5
Administrative expenses	**1.2**	1.1
IT and communication expenses	**1.6**	2.0
Sales and marketing expenses	**2.7**	2.5
Maintenance expenses	**4.1**	3.7
Other selling expenses	**7.4**	9.1
Other items	**3.3**	3.4
Extraordinary operative items	**-**	0.3
Total	**21.9**	23.5

Audit fees paid by the Group to its independent auditor

The audit fees relate to the auditing of the annual accounts and to the statutory and obligatory functions closely attached to them. The non-audit fees are caused by services linked to the audit and aimed to assure the correctness of the financial statements and other advice.

Audit fees and non-audit fees

EUR million	1-12/2021	1-12/2020
To auditor: audit	**0.2**	0.2
To auditor: Other fees and services	**0.0**	0.0
Total	**0.2**	0.2

Non-audit services provided by PricewaterhouseCoopers Oy to Apetit Group companies totaled EUR 2 thousand.

NOTE 5. EMPLOYEE BENEFITS EXPENSE

EUR million	1-12/2021	1-12/2020
Salaries and fees	**16.0**	16.9
Pension expenses	**2.7**	2.4
Other employee benefit	**0.7**	0.7
Total	**19.3**	20.0

NOTE 6. R&D EXPENSES

R & D expenses of the Group amounted to EUR 1.0 (1.0) million, representing 0.4% (0.4%) of the net sales. In addition, a total of EUR 0.1 (0.2) million worth of development costs have been capitalised in the balance sheet.

NOTE 7. MATERIALS AND SERVICES

EUR million	1-12/2021	1-12/2020
Purchases during the period	**235.7**	219.5
Change in stocks	**-11.8**	7.7
External services	**10.6**	13.1
Total	**234.4**	240.3

NOTE 8. DEPRECIATION, AMORTISATION AND IMPAIRMENT

EUR million	1-12/2021	1-12/2020
Depreciation		
Intangible assets	**0.6**	0.6
Buildings	**1.7**	1.6
Machinery and equipment	**2.6**	2.4
Right-of-use assets	**1.4**	1.5
Other tangible assets	**0.0**	0.0
Total	**6.3**	6.1
Impairment		
Intangible assets	**-**	0.0
Tangible assets	**0.0**	0.0
Total	**0.0**	0.0

NOTE 9. FINANCING INCOME AND EXPENSES

EUR million	1-12/2021	1-12/2020
Finance income		
Interest income	**0.0**	0.0
Foreign exchange gain	**0.0**	0.0
Other financial income	**0.0**	0.0
Total	**0.0**	0.0
Finance expense		
Interest on borrowings from others	**0.2**	0.3
Foreign exchange loss	**-**	-0.0
Other financial expenses	**0.2**	0.2
Total	**0.4**	0.5

NOTE 10. INCOME TAXES

EUR million	1-12/2021	1-12/2020
Tax on income from operations		
Tax on income from operations	**-0.1**	-0.1
Tax for previous accounting periods	**-0.1**	0.0
Change in deferred tax asset	**-0.5**	-0.7
Change in deferred tax liability	**0.1**	0.1
Total	**-0.5**	-0.6
Tax calculation		
Accounting profit before taxes	**2.9**	3.7
Tax at the domestic rate	**-0.6**	-0.7
Previous periods' taxes	**-0.0**	-0.0
Effect of associated company results	**0.1**	0.1
Other items	**-0.0**	0.1
Taxes in income statement	**-0.5**	-0.6
Income tax expense is attributable to		
Continuing operations	**-0.5**	-0.6
Discontinued operations	**-**	-0.0
Total	**-0.5**	-0.7

NOTE 11. DEFERRED TAX ASSETS AND LIABILITIES

RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES TO BALANCE SHEET

EUR million	1.1.2021	Recognised in income statement	Recognised in other compre-hensive income	Recognised directly in equity	31.12.2021
Deferred tax assets					
Carry forward of unused tax losses	4.9	-0.5	-	-	4.4
Deferred depreciation	0.5	0.0	-	-	0.5
Intangible and tangible assets	0.0	0.0	-	-	0.0
Derivative instruments	0.0	-	0.2	-	0.2
Other items	0.2	0.0	-	-	0.2
Total deferred tax assets	5.5	-0.5	0.2	-	5.2
Offset against deferred tax liabilities					-1.0
Net deferred tax assets					4.2
Deferred tax liabilities					
Accumulated depreciation difference	0.1	0.2	-	-	0.2
Inventories	-0.8	-0.1	-	-	-0.8
Intangible and tangible assets	-0.4	-	-	-	-0.4
Derivative instruments	-0.1	-	0.1	-	-0.0
Other items	-0.1	0.0	-	-0.0	-0.1
Total deferred tax liabilities	-1.4	0.1	0.1	-0.0	-1.2
Offset against deferred tax assets					1.0
Net deferred tax liabilities					-0.1

Apetit has not unrecognised deferred tax assets related to taxable losses. The taxable losses will expire in 2023 - 2029. Apetit has assessed if there will be sufficient taxable profit against which the losses can be utilised. The Group has estimated that the deferred tax assets will be fully recoverable during the next few years. The group has 0.3 million other deferred tax assets not recognised in the balance sheet.

RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES TO BALANCE SHEET

EUR million	1.1.2020	Recognised in income statement	Recognised in other compre-hensive income	Recognised directly in equity	31.12.2020
Deferred tax assets					
Carry forward of unused tax losses	5.6	-0.8	-	-0.0	4.9
Deferred depreciation	0.4	0.0	-	-	0.5
Intangible and tangible assets	0.0	0.0	-	-	0.0
Derivative instruments	0.1	-	-	-0.1	0.0
Other items	0.1	0.0	-		0.2
Total deferred tax assets	6.3	-0.7	-	-0.1	5.5
Offset against deferred tax liabilities					-1.2
Net deferred tax assets					4.3
Deferred tax liabilities					
Accumulated depreciation difference	-0.1	0.2	-	-	0.1
Inventories	-0.8	0.0	-	-	-0.8
Intangible and tangible assets	-0.4	-	-	-	-0.4
Derivative instruments		-	-0.1	-	-0.1
Other items	-0.1	-0.0	-	0.0	-0.1
Total deferred tax liabilities	-1.4	0.2	-0.1	0.0	-1.4
Offset against deferred tax assets					1.2
Net deferred tax liabilities					-0.1

NOTE 12. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the result for the financial year attributable to the shareholders of the parent company by weighted average number of the shares outstanding. The outstanding shares do not include treasury shares in possession of the company. Diluted earnings per share is calculated by dividing the result for the financial year attributable to the shareholders of the parent company by diluted weighted average number of the shares outstanding.

Earnings per share are diluted by the matching share plan issued for the key personnel.

EUR million	1-12/2021	1-12/2020
Result attributable to the shareholders of the parent company, continuing operations	**2.4**	3.1
Result attributable to the shareholders of the parent company, discontinued operations	**-**	0.1
Result attributable to the shareholders of the parent company, Group	**2.4**	3.2
Weighted average number of outstanding shares, basic (pcs)	**6,234,286**	6,223,332
Weighted average number of outstanding shares, diluted (pcs)	**6,239,419**	6,223,332

EUR million	1-12/2021	1-12/2020
Basic earnings per share, continuing operations (EUR/share)	**0.38**	0.49
Basic earnings per share, discontinued operations (EUR/share)	**-**	0.02
Basic earnings per share, Group (EUR/share)	**0.38**	0.52
Diluted earnings per share, continuing operations (EUR/share)	**0.38**	0.49
Diluted earnings per share, discontinued operations (EUR/share)	**-**	0.02
Diluted earnings per share, Group (EUR/share)	**0.38**	0.52

NOTE 13. INTANGIBLE AND TANGIBLE ASSETS, LEASES AND GOODWILL

Goodwill and impairment testing

IMPAIRMENT TEST FOR CASH-GENERATING UNITS CONTAINING GOODWILL

Goodwill has been allocated to the following cash-generating units or groups of units:

EUR million	1-12/2021	1-12/2020
Frozen products	**0.4**	0.4
Total	**0.4**	0.4

In impairment testing, the recoverable amount from operating activities is determined on the basis of value in use calculations. Expected future cash flows are based on management-approved forecasts and are given for a five-year period, and cash flows beyond this are extrapolated using a growth factor of 1%.

Frozen product goodwill impairment testing

The key variables in the value in use calculation are forecasted net sales, gross margin, EBIT, change in working capital and discount rate. The pre-tax discount rate used is 7.0%. In Frozen products the value in use exceeded the carrying amount of the tested assets by a wide margin and significant negative change in any of the key variables would not result to an impairment.

Sucros Group goodwill impairment testing

The key variables used in the calculation of value in use are forecasted net sales, gross margin, EBIT, change in working capital and discount rate. The pre-tax discount rate used is 6.9%. The value in use of Sucros was in line with the carrying amount of the assets being tested. In addition to the value in use, Sucros' cash and cash equivalents were analyzed in the calculation. No goodwill has been allocated to the Sucros Group.

Intangible assets 2021

EUR million	Development costs	Other intangible assets	Advance payments for intangible assets	Goodwill	Total
Cost 1.1.2021	1.0	12.6	0.6	0.4	14.7
Translation differences	-	0.0	-	-	0.0
Additions	0.1	0.0	-0.0	-	0.2
Disposals	-	-1.0	0.0	-0.0	-1.0
Reclassifications	-0.0	0.3	-0.3	-	-
Cost 31.12.2021	1.2	12.0	0.3	0.4	13.8
Cumulative amortisation and impairment 1.1.2021	-0.2	-11.8		-	-12.0
Translation differences	-	-0.0		-	-0.0
Cumulative amortisation on disposals and reclassifications	0.0	1.0		-	1.0
Amortisation	-0.2	-0.4		-	-0.6
Cumulative amortisation and impairment 31.12.2021	-0.3	-11.3	-	-	-11.6
Carrying amount 1.1.2021	0.9	0.8	0.6	0.4	2.7
Carrying amount 31.12.2021	0.8	0.7	0.3	0.4	2.2

Intangible assets 2020

EUR million	Development costs	Other intangible assets	Advance payments for intangible assets	Goodwill	Total
Cost 1.1.2020	0.5	6.0	0.1	0.4	7.0
Correction to the acquisition cost 1 Jan	0.3	6.2	0.5	0.0	7.0
Translation differences	-	-0.0	-	-	-0.0
Additions	0.2	-0.0	-	-	0.2
Disposals	-	-0.1	-	-	-0.1
Reclassifications	-	0.6	-	-	0.6
Cost 31.12.2020	1.0	12.6	0.6	0.4	14.7
Cumulative amortisation and impairment 1.1.2020	-0.2	-4.5		0.0	-4.6
Correction to the accumulated amortisation and impairment 1 Jan	0.1	-6.9		-0.0	-6.9
Translation differences	-	0.0		-	0.0
Cumulative amortisation on disposals and reclassifications	-	0.1		-	0.1
Amortisation	-0.1	-0.5		-	-0.6
Cumulative amortisation and impairment 31.12.2020	-0.2	-11.8	-	-	-12.0
Carrying amount 1.1.2020	0.3	1.5	0.1	0.4	2.4
Carrying amount 31.12.2020	0.9	0.8	0.6	0.4	2.7

Tangible assets 2021

EUR million	Land and water	Land and water, right-of-use	Buildings and structures	Buildings and structures, right-of-use	Machi-nery and equipment	Machinery and equipment, right-of-use	Other tangible assets	Advance payments and work in progress	Total
Cost 1.1.2021	3.0	1.5	42.0	7.0	45.0	0.6	0.5	4.6	104.2
Translation differences	-	-	-	-	0.0	-	-	-	0.0
Additions	-	0.0	1.1	0.9	4.3	0.2	-	1.0	7.5
Disposals	-	-1.2	-3.3	-	-0.4	-0.1	-	-	-5.0
Revaluation	-	-	-	-	-	-	-	0.0	0.0
Reclassifications	-	-	1.4	-	3.4	-	-	-4.8	-
Reclassification to non-current HFS assets	-	-	-	-	-0.1	-	-	-	-0.1
Cost 31.12.2021	3.0	0.3	41.2	7.9	52.3	0.7	0.5	0.8	106.7
Cumulative amortisation and impairment 1.1.2021	-0.2	-0.2	-26.9	-3.9	-31.6	-0.5	-0.2		-63.5
Translation differences	-	-	-	-	-0.0	-	-		-0.0
Cumulative amortisation on disposals and reclassifications	-	-	3.3	-	0.3	0.1	-		3.7
Amortisation		-0.0	-1.7	-1.3	-2.6	-0.1	-0.0		-5.7
Cumulative amortisation and impairment 31.12.2021	-0.2	-0.2	-25.3	-5.1	-33.8	-0.5	-0.2		-65.4
Carrying amount 1.1.2021	2.8	1.3	15.1	3.1	13.4	0.2	0.3	4.6	40.7
Carrying amount 31.12.2021	2.8	0.1	15.9	2.7	18.4	0.2	0.3	0.8	41.3

Tangible assets 2020

EUR million	Land and water	Land and water, right-of-use	Buildings and structures	Buildings and structures, right-of-use	Machinery and equipment	Machinery and equipment, right-of-use	Other tangible assets	Advance payments and work in progress	Total
Cost 1.1.2020	3.0	1.5	40.3	5.0	50.1	0.6	1.3	1.3	102.9
Correction to the acquisition cost 1 Jan	0.0		1.9		-6.1		-0.7		-5.0
Translation differences	-	-	-	-	-0.0	-	-	-	-0.0
Additions	-	-	1.0	-	2.0	0.1	-	4.6	7.7
Disposals	-	-	-1.2	-	-1.6	-0.0	-	-	-2.9
Revaluation	-	-	-	2.0	-	-0.0	-	-	2.0
Reclassifications	-	-	0.1	-	0.6	-	-0.0	-1.2	-0.6
Cost 31.12.2020	3.0	1.5	42.0	7.0	45.0	0.6	0.5	4.6	104.2
Cumulative amortisation and impairment 1.1.2020	-0.2	-0.2	-24.7	-2.6	-36.9	-0.3	-0.9		-65.7
Correction to the accumulated amortisation and impairment 1 Jan			-1.9		6.1		0.7		5.0
Translation differences	-	-	-	-	0.0	-	-		0.0
Cumulative amortisation on disposals and reclassifications	-	-	1.2	-	1.6	-	-		2.8
Amortisation		-0.0	-1.6	-1.3	-2.4	-0.2	-0.0		-5.6
Cumulative amortisation and impairment 31.12.2020	-0.2	-0.2	-26.9	-3.9	-31.6	-0.5	-0.2		-63.5
Carrying amount 1.1.2020	2.8	1.3	15.6	2.4	13.1	0.3	0.4	1.3	37.2
Carrying amount 31.12.2020	2.8	1.3	15.1	3.1	13.4	0.2	0.3	4.6	40.7

Leases

Amounts recognised in balance sheet

EUR million	1-12/2021	1-12/2020
Right-of-use assets		
Land and water areas	**0.1**	1.3
Buildings and structures	**2.7**	3.1
Machinery and equipment	**0.2**	0.2
Total	**3.0**	4.6
Lease liabilities		
Non-current lease liability, interest-bearing	**1.8**	3.4
Current lease liability, interest bearing	**1.4**	1.3
Total	**3.2**	4.7

Expected maturity analysis of lease liabilities is presented in note 25.

Amounts recognised in income statement

EUR million	1-12/2021	1-12/2020
Depreciation of right-of-use assets		
Land and water areas	**0.0**	0.0
Buildings and structures	**1.3**	1.3
Machinery and equipment	**0.1**	0.2
Total	**1.4**	1.5
Interest expenses	**0.1**	0.1
Expenses relating to short-term leases	**0.3**	0.3
Expenses relating to leases of low-value	**0.0**	0.0
Expenses relating to variable lease payments	**1.2**	1.5
Cash outflow for leases	**3.0**	3.1

THE GROUP'S LEASING ACTIVITIES AND REALTED ACCOUNTING PRINCIPLES

The Group leases land, warehouses, offices, equipment and vehicles. Rental contracts are typically concluded for fixed periods of 2 months to 50 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The terms of the leases are negotiated on a case by case basis. Leases do not include covenants other than the lessor's interest on the leased assets. Leased assets are not used as collateral for loans.

Accounting principles of lease agreements are described in details in Note 1. Accounting principles.

VARIABLE LEASE PAYMENTS

Some warehouse leases contain variable payment terms that are linked to volume generating from stock movements through the warehouse. Variable lease payments that depend on volume are recognised in the income statement in the period in which the condition that triggers those payments occurs.

EXTENSION AND TERMINATION OPTIONS

Extension and termination options are included in a number of lease agreements. Options are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

CRITICAL JUDGEMENTS IN DETERMINING THE LEASE TERM

All facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option are assessed when defining the lease period. Extension options (or periods after termination options) are only included in the lease period if the lease is reasonably certain to be extended (or to be terminated).

RESIDUAL VALUE GUARANTEES

The Group has no residual value guarantees.

NOTE 14. SHARES IN ASSOCIATED COMPANIES

EUR million	1-12/2021	1-12/2020
Book value, 1 January	**19.7**	19.4
Disposals	**-**	1.2
Reclassifications between classes	**-**	-1.2
Share of results for the period	**0.4**	0.3
Dividends received	**-0.2**	-
Book value, 31 December	**19.9**	19.7

Group's holding in Sucros Group totals to 20 %. The book value of the shares in Sucros totalled to EUR 19.6 million.

Associated companies are consolidated using the equity method and they do not have public quotations.

Principles of goodwill impairment testing have been presented in Note 13.

Financial information for material associated company

Sucros Group's financial year ends on February 28. Sucros Goup has been consolidated based on the interim financial statement per 31.12.2021

Sucros Group's published FAS-financial statement

EUR million	03/2020 - 02/2021	03/2019 - 02/2020
Non-current assets	**20.5**	22.6
Current assets	**82.9**	80.0
Cash and cash equivalents	**2.8**	2.6
Asset	**106.2**	105.1
Equity	**92.8**	91.2
Deferred tax liability	**0.9**	1.1
Current liabilities	**12.6**	12.8
Equity and liabilities	**106.2**	105.1
Net sales	**112.4**	103.2
Operating income and expenses	**-111.0**	-107.7
Operating result	**1.4**	-4.6
Financial income and expenses	**-0.0**	-0.0
Taxes	**0.2**	-0.2
Profit / loss for the period	**1.6**	-4.9

BREAKDOWN OF SUCROS HOLDINGS IN THE CONSOLIDATED FINANCIAL STATEMENTS

EUR million	1-12/2021	1-12/2020
Book value, 1 January	**19.4**	19.1
Profit / loss for the period	**0.4**	0.3
Dividends received	**-0.2**	-
Book value, 31 December	**19.6**	19.4

NOTE 15. OTHER NON - CURRENT FINANCIAL ASSETS

EUR million	31.12.2021	31.12.2020
Connection fees	**0.3**	0.3
Investments in shares of unlisted companies	**0.0**	0.0
Other non-current receivables	**0.0**	0.0
Total	**0.3**	0.3

NOTE 16. NON - CURRENT RECEIVABLES

EUR million	31.12.2021	31.12.2020
Non-current trade and other receivables	**0.0**	0.0
Total	**0.0**	0.0

NOTE 17. TRADE RECEIVABLES AND OTHER CURRENT RECEIVABLES

EUR million	31.12.2021	31.12.2020
Trade receivables	**5.3**	12.0
Receivables based on derivative instruments	**0.2**	0.5
Accrued income and deferred expenses	**4.9**	2.4
Other receivables	**0.4**	0.3
Trade receivables from associates	**0.0**	0.1
Total	**10.8**	15.2

The substantial items in the accrued income and deferred expenses and other receivables are related to raw material purchases and accruals of employment benefits.

During the financial year the Group recorded credit losses of EUR 0.0 (0.0) million on trade receivables.

NOTE 18. INVENTORIES

EUR million	31.12.2021	31.12.2020
Raw materials and consumables	**15.2**	6.2
Work in progress	**6.8**	7.1
Finished goods	**48.8**	45.4
Total	**70.8**	58.7

A write-down of EUR 0.0 (0.6) million in inventory value was booked to correspond the net realisation value.

NOTE 19. CASH AND CASH EQUIVALENTS

EUR million	31.12.2021	31.12.2020
Cash and cash equivalents	**7.5**	1.1
Total	**7.5**	1.1

NOTE 20. NOTE 20. SHAREHOLDERS' EQUITY

EUR million	31.12.2021	31.12.2020
Number of shares	**6,317,576**	6,317,576
Otstanding shares	**6,238,923**	6,228,346
Number of own shares	**78,653**	89,230
Own shares' share of the company's share capital and voting rights	**1.2**	1.4
Acquisition cost of own shares	**-1.2**	-1.3
Share capital	**12.6**	12.6
Share premium	**23.4**	23.4
Total	**36.0**	36.0

The fully paid and registered share capital of the company at the end of the financial year was EUR 12,635,152. The nominal value of a share is EUR 2.

DESCRIPTIONS OF THE FUNDS IN EQUITY

Translation differences

The translation differences reserve includes translation differences arising from the translation of the financial statements prepared in foreign currency.

Fair value reserve

The fair value reserve includes a hedging reserve for the revaluation of the fair values of derivative instruments used for cash flow hedges.

Invested non-restricted equity capital

The invested non-restricted equity capital includes the share subscription price to the extent that it is not recognised in the share capital. The amount consists of the directed share issue related to the matching share plan carried out in 2021, in which a total of 8,000 shares were subscribed at the price of 13.91 euro per share.

Other reserves

Other reserves consist of the parent company's contingency reserve that includes a portion transferred from retained earnings by decision of the Annual General Meeting.

Own shares

Own shares include the acquisition cost of own shares that are in the Group’s possession. At the end of the year the Group had 78,653 of it's own shares in possession. The acquisition cost of the own shares that are in the Group's possession totals EUR 1.2 million. The own shares represent 1.2% of the company’s share capital and votes.

Dividends

After the date of the financial statement the Board of Directors has proposed a dividend of EUR 0.50 per share to be paid.

For details on changes in equity, see statement of changes in shareholders' equity.

NOTE 21. DEFINED BENEFIT PLAN OBLIGATIONS

EUR million	2021	2020
Pension obligations 1 Jan.	**0.2**	0.2
Increases / decreases	**0.1**	-0.0
Pension obligations 31 Dec.	**0.2**	0.2

Pension obligations relate mainly to defined benefit pension plans.

Apetit Group's most significant benefit plans are in the parent company. Parent company's plans include 52 pensioners. Plans are administered in pension companies. Parent company's defined benefit obligation totals to EUR 1.5 (1.6) million and plan assets totals to EUR 1.3 (1.4) million. Net liability totals to EUR 0.2 (0.2) million.

EUR million	2021	2020
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	**1.6**	1.7
Fair value of plan assets	**1.3**	1.5
Net liability (+) / asset (-)	**0.2**	0.2
Change in the defined benefit obligation		
Defined benefit obligation in the beginning of the year	**1.7**	1.8
Interest expenses	**0.0**	0.0
Actuarial gains (-) and losses (+)	**0.1**	0.1
Benefits paid	**-0.2**	-0.2
Defined benefit obligation at the end of the year	**1.6**	1.7
Change in plan assets		
Plan assets in the beginning of the year	**1.5**	1.6
Interest income	**0.0**	0.1
Contributions paid into the plans	**0.0**	0.0
Benefits paid	**-0.2**	-0.2
Plan assets at the end of the year	**1.3**	1.5

EUR million	1-12/2021	1-12/2020
Defined benefit expense in income statement		
Interest cost on pension obligation	**0.0**	0.0
interest income on plan assets	**-0.0**	-0.0
Pension expense recognised in income statement	**0.0**	0.0
The amounts recognised in equity		
Gains and losses from change of financial assumptions	**0.0**	0.0
Experience gains and losses	**0.0**	0.0
Return on plan assets excluding interest	**-0.0**	-0.1
Remeasurements of post employment benefit obligations	**0.1**	-0.0
Significant actuarial assumptions		
Discount rate (%)	**0.7**	0.3
Pension growth rate (%)	**2.4**	1.6
Inflation (%)	**2.1**	1.3

Changes in the assumptions, sensitivity 2021	**Pension liability**	
	Increase %	**Decline %**
Discount rate, change 0,5%	**-3.4**	**3.7**
Pension payments growth rate, change 0.25 %	**1.9**	**-1.8**
Life expectancy, change 5%	**3.0**	**-3.2**

Changes in the assumptions, sensitivity 2020	**Pension liability**	
	Increase %	**Decline %**
Discount rate, change 0,5%	-3.5	3.7
Pension payments growth rate, change 0.25 %	1.9	-1.9
Life expectancy, change 5%	2.9	-3.1

Sensitivity analysis relate to Apetit plc's benefit plan.

NOTE 22. SHARE-BASED PAYMENTS

Share - based incentive plans

The Board of Directors of Apetit Plc ("Apetit") has during year 2021 decided to establish a matching share plan 2021-2023 and a performance share plan 2021-2023, in which any bonus will be paid as a combination of Apetit Plc's shares and cash. At the start of the programs, the members of the Group Management Team are entitled to participate in the incentive schemes. The purpose of the cash element is to cover taxes and tax-like payments to the key personnel arising from the portion settled in shares.

Matching share plan

The matching share plan consists of the key personnel's own investment in the company's shares and the right to receive one additional share free of charge against each share acquired and held until the end of the vesting period ending March 15, 2023 as well as cash compoonent corresponding to the number of shares. In addition to the self-investment, the vesting is dependent on continuing employment. A maximum of 8,000 new or treasury shares and a cash payment equivalent to the value of shares can be given in the matching share plan.

Performance share plan

In the performance share plan, the potential vesting and amount of payment is depending Apetit Group's operating profit for the period from April 1, 2021 to March 31, 2023 and the person's continuing employment. If the set performance targets are achieved in full, the maximum amount of shares to be transferred under the plan is 10,478 new or treasury shares and a cash payment equivalent to the value of shares can be given in the matching share plan.

Annual remuneration of Apetit Plc 's Board members

The annual remuneration for Apetit Plc's Board members is a fixed amount in euros. 40% of the remuneration is paid in Apetit Plc shares and 60% in cash. The number of shares to be paid is calculated based on the stock exchange price of the Apetit Plc share at the time of payment. The portion paid in shares is recognized as expense against equity and the cash portion against liability / cash account.

	Matching share plan 2021-2023	Performance share plan 2021-2023
Basic information of the plans		
Maximum number of shares granted, pcs	8,000	10,478
Grant date	12.5.2021	23.4.2021
Vesting period ends	15.3.2023	15.6.2023
Life time of the plan, years	1.8	2.1
Remaining life time at the balance sheet date, years	1.2	1.5
Employment condition	Yes	Yes
Requirement of own-purchase and holding of shares	Yes	No
Other non-market based performance conditions	No	Yes
Settlement method	50%/50% in shares/cash	50%/50% in shares/cash

	Matching share plan 2021-2023	Performance share plan 2021-2023
Valuation principles		
Share price at grant date, eur	13.91	14.15
Expected dividends per share during the vesting period, eur per share	1.00	1.50
Fair value in accordance with IFRS 2 at grant date, eur per share	12.91	12.65
Maximum value of the scheme at grant date, 1000 eur	207	265
Changes during the period, shares		
Amount outstanding at the beginning of the period	-	-
Granted during the period	8,000	10,478
Forfeited during the period	-1,200	-1,800
Outstanding at the end of the period	6,800	8,678
EUR 1,000		
Recognized as an expense against equity during the period	68	54
Recognized as an expense during the period, against liability	34	-
Total expense during the financial year	102	54
Debt balance at the end of reporting period	34	-

NOTE 23. INTEREST-BEARING LIABILITIES

EUR million	2021	2020
Non-current liabilities, interest-bearing		
Non-current loans from financial institutions, interest-bearing	-	0.5
Non-current lease liability, interest-bearing	1.8	3.4
Total	1.8	3.9

Loans from credit institutions have floating interest rates. All interest-bearing non-current liabilities are denominated in euros.

Current interest-bearing liabilities		
Commercial papers	28.0	15.0
Current loans from financial institutions, interest-bearing	1.1	1.5
Current lease liability, interest bearing	1.4	1.3
Total	30.5	17.8

Reconciliation Interest-bearing liabilities

EUR million	Commercial papers	Non-current loans from credit institutions	Current loans from credit institutions	Non-current lease liabilities	Current lease liabilities	Total
Interest-bearing liabilities 1.1.2021	15.0	0.5	1.5	3.4	1.3	21.7
Lease liabilities additions				1.1		1.1
Lease liabilities disposals				-1.2		-1.2
Cash flows	13.0	-0.5	-0.4	-1.5	0.1	10.7
Interest-bearing liabilities 31.12.2021	28.0	-	1.1	1.8	1.4	32.3

EUR million						
Interest-bearing liabilities 1.1.2020	30.0	1.4	1.0	2.9	1.2	36.5
Lease liabilities additions				0.5	1.7	2.2
Lease liabilities disposals						-
Cash flows	-15.0	-1.0	0.6	-	-1.6	-17.0
Interest-bearing liabilities 31.12.2020	15.0	0.5	1.5	3.4	1.3	21.7

NOTE 24. TRADE PAYABLES AND OTHER LIABILITIES

EUR million	1-12/2021	1-12/2020
Non-current		
Non-current derivatives, interest-free	**0.1**	0.2
Total	**0.1**	0.2
Current		
Trade payables	**21.9**	17.8
Payables to associated companies	**0.7**	0.5
Payables based on derivative instruments, hedge accounting	**1.1**	0.1
Accrued expenses and deferred income	**6.3**	6.4
Other liabilities	**1.0**	0.7
Total	**31.1**	25.6

The material items in accrued expenses and deferred income consist of personnel expenses and accruals of material purchases.

Accrued expenses and deferred income includes liabilities related to contracts with customers in total of EUR 0.2 (0.4) million.

NOTE 25. FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks in its normal business operations. The aim of the Group's risk management is to minimize the adverse effects of changes in the financial markets on its financial performance. The main financial risks relate to liquidity, interest rate, currency, pricing and counterparty risks. The Group uses derivative financial instruments to hedge against currency, price and interest rate risks.

The financial risk management principles observed by the Group are subject to approval by the Board of Directors of Apetit Plc, and the practical implementation of these principles is the responsibility of the Financing Department, together with the business unit management.

1. Market risks

INTEREST RATE RISK

At the end of the financial year the Group had a total of EUR 0.0 (0.5) million in non-current floating rate loans from financial institutions, EUR 28.0 (15.0) million in commercial papers, EUR 1.1 (1.5) million in other current liabilities and EUR 7.5 (1.1) million in liquid cash assets. The maturity of commercial papers is usually under three months. The Group hedges the interest rate risk related to non-current and current loans and trade receivables sold to financial institutions through interest rate swaps with a nominal value of EUR 10.5 (11.4) million in the financial statements.

SENSITIVITY TO INTEREST RATE RISK ARISING FROM FINANCIAL INSTRUMENTS

With the balance sheet structure on 31 December, a rise of one percentage point in interest rates would have increased Group's net result by EUR -0.1 (0.1) million and the equity by EUR -0.1 (0.1) million. The effect of interest rate decreasing one percentage point would have been the opposite.

COMMODITY RISK

The Group is exposed to commodity risks associated with the availability of raw materials, the time difference between procurement and sales, and price fluctuations. The business units are responsible for managing their commodity risks in accordance with the risk management principles. Hedge accounting is mostly applied when hedging the raw material risk.

The most significant single commodity risks concern Grains and Oil Seeds; wheat, barley, oats, soy and rapeseed. The business units have defined risk limits to stay inside. Quoted commodity futures and forward agreements are used to manage the risk exposure. The main grains and oil seeds products have functional derivative markets such as CME (CBOT) and Euronext (Matif), and the hedging relationships are mostly effective. Certain grain qualities and market areas may not always have an effective hedging instrument, where hedge accounting is not applicable. Even then, hedging may be implemented. The Group's exposure to raw material risk and the maturity of the hedging derivative instruments, respectively, are less than 12 months. At the end of the year the gross nominal amount of commodity derivatives totalled to EUR 75.7 (38.1) million. All instruments have published market prices at the balance sheet date on the commodity exchanges mentioned above.

Food Solutions commodity risks arise from store chains' pricing periods, where prices are fixed for the entire pricing period. Commodity risk is mostly controlled by purchase and sales functions' co-operation.

Apetit Group has until the end of 2021 hedged against electricity price variations by using price fixing agreements. Until 31 December 2021, the management of Group's electricity portfolio was outsourced in finnish companies. From the beginning of the year 2022, the Group's finnish companies have entered a several years long fixed-price electricity purchase agreement. Electricity risk management is guided by a separate electricity procurement risk policy.

Sensitivity to commodity risk arising from financial instruments

EUR million	1-12/2021	1-12/2020
Derivative based commodity prices increase by 10%		
Affect on net result	-	-0.1
Affect on equity	0.5	-1.2
Derivative based commodity prices decrease by 10%		
Affect on net result	-	0.1
Affect on equity	-0.5	1.2

When cash flow hedge accounting is applied, the change in the fair value of derivative financial instruments is assumed to be recorded fully in equity.

CURRENCY RISK

The Group operates in international markets and is thus exposed to currency risks arising from changes in exchange rates. The Group's currency risks concern sales, purchases and balance sheet items denominated in foreign currencies (transaction risk), and also investments in foreign subsidiaries (translation risk). The most significant currency risk is caused mainly by the US dollar. The Group occasionally has significant dollar-denominated purchases from abroad.

The principle followed by the Group is to hedge the original transaction risk in the case of all financially significant currency positions. Hedging can also be made against a probable future open currency position. The instruments available in currency hedging are forward currency contracts and currency options. The Group's business units are responsible for currency risk hedging. Currency hedging is guided by the risk management policy specifically defined for the purpose and this is monitored by the Group's Financing Department, together with the business unit management.

At the closing date of the financialstatement the Group had no significant currency positions.

Level 1 fair values are based on prices obtained from active markets.
Leve 2 fair values are based on other input data and commonly accepted fair value models. The input data is based on observable market prices.
Leve 3 fair values are mostly based on other input data that are not for the most part based on observable market prices, instead management estimates and commonly accepted fair value models.

Fair value hierarchy on financial assets and liabilities valued at fair value

EUR million	Level 1	Level 2	Level 3	Total
Assets 2021				
Currency derivatives, no hedge accounting	**-**	**0.0**	**-**	**0.0**
Commodity derivatives, hedge accounting	**0.2**	**-**	**-**	**0.2**
Assets 2020				
Commodity derivatives, hedge accounting	0.4	-	-	0.4
Liabilities 2021				
Currency derivatives, no hedge accounting	**-**	**0.0**	**-**	**0.0**
Commodity derivatives, hedge accounting	**0.9**	**-**	**-**	**0.9**
Interest rate swaps, no hedge accounting	**-**	**-0.1**	**-**	**-0.1**
Liabilities 2020				
Commodity derivatives, no hedge accounting	-0.0	-	-	-0.0
Interest rate swaps, no hedge accounting	-	-0.2	-	-0.2

During the year there has not been any transfers between levels 1 and 2.

Nominal values of derivative instruments

EUR million	1-12/2021	1-12/2020
Currency derivatives, no cash flow hedge accounting	**1.5**	-
Commodity derivatives, cash flow hedge accounting	**75.7**	37.5
Commodity derivatives, no cash flow hedge accounting	**-**	0.6
Interest rate swaps, no cash flow hedge accounting	**10.5**	11.4

Other information related to cash flow hedge

The Group applies cash flow hedge accounting to commodity derivatives. Derivatives expire within one year. Profit and loss statement effects of cash flow hedges are materially netted against the opposing fair value change of the hedged item.

EUR million	1-12/2021	1-12/2020
Cash flow hedges recognised in equity	**-1.3**	0.8
Taxes related to cash flow hedges booked in equity	**0.3**	-0.2
Derivatives related to net sales	**-8.5**	-2.0
Derivatives related to purchases and other operating income and expense	**-0.4**	-0.6
Derivatives related to financial income and expenses	**-0.1**	-0.1
Taxes related to cash flow hedges booked in profit and loss	**1.8**	0.5

2. Credit risk

Derivative financial instruments are only entered into with domestic and foreign counterparties that have a good credit rating. Commodity derivative instruments can be entered into on the appropriate commodity exchanges if necessary. Liquid assets may be invested within the approved limits in targets with a good credit rating.

To minimize the operational credit risk, the business units endeavour to obtain collateral security, as credit insurance in the event that a customer's credit rating so requires.

The Group's management evaluates that there are no significant customer, geographical or counterparty concentrations in the Group's credit and counterparty risks. The sale of receivables to a financial institution and the use of credit insurance for some other trade receivables reduces the Group's counterparty risk.

Aging of Group's receivables

EUR million	1-12/2021	1-12/2020
Not due	10.7	15.2
0 - 3 months past due	0.1	0.0
4 - 6 months past due	0.0	0.0
Over 6 months past due	0.0	-0.0
Total	**10.8**	15.2

3. Liquidity risk

The liquidity risk is the risk that the company may not have sufficient liquid assets or be unable to acquire enough funds to meet the needs of its business operations. The aim of liquidity risk management is to maintain sufficient liquid funds and credit facilities to ensure that there is always enough financing for the Group's business operations. The cash flows of the Group companies are netted with the aid of the Group's internal bank and Group accounts. To manage liquidity, the Group has a commercial paper programme worth EUR 100.0 (100.0) million and also long-term binding credit facilities agreed with financial institutions; a total of EUR 29.0 (29.0) million was available in credit at the closing date of the financial statement. The long-term share of the limit is EUR 25.0 (25.0) million. The total amount of commercial papers issued were EUR 28.0 (15.0) million. Liquidity risk management is the responsibility of the parent company's Financing Department.

Group's derivative liabilities, trade payables and interest-bearing loan repayments and interest cash flows

EUR million	0–3 month	4–12 month	1–5 years	>5 years
31.12.2021				
Loans from financial institutions and other loans	-28.6	-0.5	-	-
Lease liabilities	-0.4	-1.0	-1.7	-0.2
Trade payables	-22.5	-0.2	-	-
Derivative liabilities	-2.2	-0.1	-0.0	-
Total	**-53.6**	**-1.8**	**-1.7**	**-0.2**

EUR million	0–3 month	4–12 month	1–5 years	>5 years
31.12.2020				
Loans from financial institutions and other loans	-15.0	-1.0	-0.5	-
Lease liabilities	-0.4	-1.1	-2.3	-1.8
Trade payables	-17.8	-	-	-
Derivative liabilities	-0.2	-0.1	-0.1	-
Total	-33.4	-2.1	-2.9	-1.8

4. Capital risk management

The main objective for capital risk management is to secure the Group's operational preconditions in all circumstances. The capital structure of the Group is reviewed by the Board of Directors on a regular basis. Apetit plc does not have a public credit rating.

The amounts of the Group's interest-bearing debts fluctuate significantly during the year due to a seasonality of the employed working capital. Normally the employed working capital is at highest level during the latter part of the year and at lowest level during spring and summer.

EUR million	1-12/2021	1-12/2020
Interest Bearing liabilities	32.3	21.7
Cash and cash equivalents	7.5	1.1
Interest bearing net liabilities	24.8	20.6
Equity	93.3	95.0
Interest-bearing net debt and equity total	118.1	115.6
Gearing, %	26.6%	21.7%
Equity Ratio	59.4%	66.5%

NOTE 26. COLLATERAL, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND OTHER COMMITMENTS

EUR million	1-12/2021	1-12/2020
Pledges given for debts		
Guarantees	**2.2**	2.2
Binding agreements not recognised in the balance sheet		
Within one year	**1,5**	1,0
After one year but not more than five years	**2,9**	1,2
Total	**4,4**	2,3

EUR million	1-12/2021	1-12/2020
Contingent assets		
Claim for damages associated with the foreign grain supplier's neglect of delivery. Recognition of the claim is considered highly unlikely and is no longer presented as a contingent asset.	**-**	3.1
Investment commitments		
Food Solutions	**2.5**	0.1
Oilseed products	**0.5**	1.7

OTHER CONTINGENT LIABILITIES

Liability to adjust value added tax on property investments

The Group is liable to adjust value added tax deductions on the 2012-2021 property investments, if the taxable use of the properties decreases. The maximum value of the liability is EUR 2,0 (1.6) million and the liability is valid until 2031.

NOTE 27. RELATED PARTY TRANSACTIONS

Parent company and subsidiary relations of the Group	Domicile	Group's share of ownership %	Group's share of votes %
Apetit plc (parent company)	Finland	100.0	100.0
Apetit Ruoka Oy	Finland	100.0	100.0
Avena Nordic Grain Oy	Finland	100.0	100.0
Avena Kantvik Oy	Finland	100.0	100.0
UAB Avena Nordic Grain	Lithuania	100.0	100.0
Avena Nordic Grain OÜ	Estonia	100.0	100.0
SIA Avena Nordic Grain	Latvia	100.0	100.0
OOO Avena-Ukraina	Ukraine	100.0	100.0
Foison Oy *	Finland	100.0	100.0
Non-operative company:			
Lännen Sokeri Oy	Finland	100.0	100.0

* 10% onwership of Avena Nordic Grain Oy through Foison Oy.

In order to clarify the group structure, Apetit Ruokaratkaisut Oy was merged into Apetit Ruoka Oy on 30 March 2021.

Salaries, wages and benefits of the administrative bodies of the Group

The administrative bodies consists of the members of the Supervisory Board, the Board of Directors, the CEO and other members of the corporate management of the parent company.

EUR 1,000	1-12/2021	1-12/2020
Supervisory Board		
Harri Eela, chairman of the Supervisory Board	**19**	20
Maisa Mikola, deputy chairman of the Supervisory Board	**15**	16
Other members of the Supervisory Board	**14**	16

The salaries, fees and fringe benefits of the members of the Board of Directors, the President and CEO and the other members of the Management Team were as follows on an accrual basis:

EUR 1,000	1-12/2021	1-12/2020
Board		
Simo Palokangas, chairman of the Board until 17 April 2021	**32**	50
Lasse Aho, member of the Board, chairman of the Board from 17 August 2021	**35**	30
Annikka Hurme, member of the Board	**24**	23
Kati Rajala, member of the Board from 12 August 2020 to 31 May 2021	**16**	15
Seppo Laine, member of the Board until 12 August 2020	**-**	10
Antti Korpiniemi, member of the Board from 12 August 2020	**23**	15
Niko Simula, member of the Board, deputy chairman of the Board from 17 August 2021	**26**	26
Kati Sulin, member of the Board from 17 august 2021	**8**	-
Management		
Juha Vanhainen, CEO until 31 August 2019 including severance pay	**-**	48
Esa Mäki, CEO	**396**	307
Corporate management, five members	**939**	1,071

The remuneration and incentive plans for management are made up of monetary remuneration, fringe and pension benefits, and performance-related compensation settled in cash and shares, by which the degree of success for the year is measured. The level of these plans as a whole is compared annually with the general market level. The Board of Directors of Apetit plc decides on the principles for the remuneration and incentive plans for the CEO and other members of the management. The Board also confirms annually the indicators to be used for the plans and their level in relation to the targets set. The indicators also include key figures connected with annual budgets. In 2021, indicators for the CEO and management were among others the Group´s and applicable business unit's EBIT. The maximum amount of performance-related compensation corresponds to 50 per cent of annual salary in the case of the CEO, and 30-50 per cent of annual salary for other management.

The agreed retirement age for the CEO is 63 years.

Post–employment benefits

EUR 1,000	1-12/2021	1-12/2020
Amount recognized as an expense due to retirement benefit		
Esa Mäki, CEO	**33**	41

The key conditions of the CEO's terms of service are defined in his contract. The period of notice for the CEO is twelve months.

The Group did not have any loan receivables from the group key management during the financial periods.

Transactions with related parties

EUR million	1-12/2021	1-12/2020
Sales to associated companies	**0.5**	0.6
Purchases from associated companies	**3.2**	3.5
Trade receivables and other receivables from associated companies	**0.0**	0.1
Trade payables and other liabilities to associated companies	**0.8**	0.7
Sales to other related parties	**0.0**	0.1
Purchases from other related parties	**0.6**	0.6
Receivables from other related parties	**-**	0.0
Liabilities to other related parties	**0.3**	0.3

The sales of goods and services to related parties are based on valid market prices.

Purchases and liabilities with other related parties relate mostly to acgicultural product purchases from members of the Supervisory Board.

NOTE 28. CHANGES IN ACCOUNTING POLICIES

There has not been any significant changes in the principles in preparing the financial statements.

NOTE 29. EVENTS SINCE THE END OF THE FINANCIAL YEAR

The Group is not aware of any events of material importance after the balance sheet date that might have affected the preparation of the financial statements.

Parent company income statement, FAS

EUR 1,000	Note	1-12/2021	1-12/2020
Other operating income	(1)	**561**	369
Personnel expenses	(2)	**-1,630**	-1,841
Depreciation, amortisation and impairment	(3)	**-275**	-296
Other operating expenses	(4)	**-784**	-1,412
Operating profit / loss		**-2,127**	-3,180
Financial income and expenses	(5)	**1,526**	1,227
Profit / loss before appropriations and taxes		**-601**	-1,953
Group contributions		**-**	5,550
Change in depreciation difference		**-24**	-
Change in deferred tax assets	(6)	**190**	-745
Net profit / loss		**-435**	2,852

Parent companyt balance sheet, FAS

EUR 1,000	Note	31.12.2021	31.12.2020
ASSETS			
Long-term assets			
Intangible assets	(7)	**102**	132
Tangible assets	(8)	**3,350**	2,709
Investments in Group companies	(9,10)	**32,178**	24,178
Investments in associated companies	(9,10)	**12,158**	12,158
Other investments and receivables	(9,10)	**16**	16
Total long-term assets		**47,804**	39,193

EUR 1,000	Note	31.12.2021	31.12.2020
Short-term assets			
Long-term receivables	(11)	**13,205**	12,072
Deferred tax assets	(13)	**1,547**	1,356
Current receivables	(12)	**54,575**	66,521
Cash and cash equivalents		**6,938**	810
Total short-term assets		**76,264**	80,760
Total assets		**124,068**	119,953
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	(14)		
Share capital		**12,635**	12,635
Share premium account		**23,391**	23,391
Invested non-restricted equity capital		**111**	-
Contingency reserve		**7,232**	7,232
Retained earnings		**44,847**	45,113
Profit / loss for the period		**-435**	2,852
Total equity		**87,781**	91,223
Appropriations		**35**	10
Liabilities	(15)		
Long-term interest-bearing liabilities		**-**	482
Long-term non-interest-bearing liabilities		**722**	806
Current interest-bearing liabilities		**34,679**	26,457
Current non-interest-bearing liabilities		**851**	974
Total liabilities		**36,252**	28,719
Total equity and liabilities		**124,068**	119,953

Parent company statement of cash flows, FAS

EUR 1,000	1-12/2021	1-12/2020
Cash flow from operating activities		
Profit before extraordinary items	**-601**	-1,953
Adjustments *)	**-1,368**	-1,037
Change in working capital	**-**	-
Change in non-interest-bearing current receivables	**-230**	319
Change in non-interest-bearing current liabilities	**-4,419**	4,061
Cash flow from operating activities before financial items and taxes	**-6,618**	1,391
Interests paid	**-248**	-265
Interests received	**1,462**	1,488
Cash flow from operating activities (A)	**-5,403**	2,614
Cash flow from investing activities		
Investments in tangible and intangible assets	**-899**	-81
Proceeds from sales of tangible and intangible assets	**129**	86
Investments in shares of subsidiaries	**-8,000**	-973
Dividends received	**201**	-
Cash flow from investing activities (B)	**-8,569**	-968

EUR 1,000	1-12/2021	1-12/2020
Cash flow before financing	**-13,972**	1,646
Cash flow from financing activities		
Sale of own shares	**111**	-
Change in long-term loans	**-964**	-964
Change in short-term loans	**13,000**	-15,000
Change in long-term subsidiary financing	**-1,104**	-1,979
Change in short-term subsidiary financing	**6,625**	18,000
Dividends paid	**-3,118**	-2,800
Group contributions	**5,550**	-
Cash flow from financing activities (C)	**20,100**	-2,743
Net increase/decrease in cash and cash equivalents (A+B+C)	**6,128**	-1,097
Cash and cash equivalents at beginning of financial year	**810**	1,907
Cash and cash equivalents at end of financial year	**6,938**	810
*) Adjustments		
Depreciation, amortisation and impairment	**275**	296
Financial income and expenses	**-1,526**	-1,261
Gains and losses on sales of tangible and intangible assets	**-117**	-72
Total	**-1,368**	-1,037

Accounting principles, FAS

VALUATION OF FIXED ASSETS

Fixed assets have been capitalised at their acquisition cost less accumulated depreciation. Fixed assets have been depreciated on a straight-line basis according to plan, based on useful economic life.

FOREIGN CURRENCY ITEMS

Receivables and payables denominated in foreign currencies have been translated into euros at the European Central Bank middle rate on the closing day. Exchange rate differences caused by short-term receivables and liabilities have been charged to the profit and loss account. Unrealised exchange rate losses and gains of long-term receivables and liabilities have also been charged to the profit and loss account.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax liabilities and assets are calculated on the basis of the timing differences between the closing date and the taxation date, using the tax rate for subsequent years confirmed on the closing date.

Other temporary differences arising from deferred tax liabilities and assets are presented on a net basis in the notes.

DERIVATIVE CONTRACTS

In line with its risk management policy, the company uses a variety of derivatives for hedging against a number of risks arising from foreign currencies, interest rates and commodity prices. The market values of derivatives are entered under derivative contracts in the other notes to the accounts and indicate what the result would have been if the derivative position had been closed at market prices on the date of closing of the accounts.

Unrealised losses on derivative instruments are recognised on financial costs. Unrealised gains are not recognised in profit and loss statement, gains are recognised on financial income at the moment when derivative instrument is realised.

PENSION ARRANGEMENTS

Statutory pension coverage for corporate personnel is covered by pension insurance. Special pension insurance policies provide additional pension coverage under the Trust rules for former employees and retired staff previously covered by the Lännen Tehtaat Staff Pension Trust.

The CEO has a voluntary defined contribution supplementary pension plan.

Notes to the Parent Company Financial Statements

1. OTHER OPERATING INCOME

EUR 1,000	1-12/2021	1-12/2020
Gains from sales of non-current assets	**117**	72
Rental income	**143**	135
Service fees	**143**	154
Other	**158**	8
Total	**561**	369

2. PERSONNEL EXPENSES AND AVERAGE NUMBER OF PERSONNEL

EUR 1,000	1-12/2021	1-12/2020
Personnel expenses		
Wages and salaries	**1,336**	1,557
Pension expenses	**221**	202
Other social security expenses	**73**	81
Total	**1,630**	1,841

Salaries, wages and benefits of the administrative bodies are presented in Note 27 of the Notes to the consolidated financial statements.

Personnel, FTE	**12**	12

The pension commitments to the members of the Board of Directors and the CEO.

The retirement age of the CEO is 63 years.

3. DEPRECIATION, AMORTISATION AND IMPAIRMENTS

Tangible and intangible assets have been capitalised at their acquisition cost less accumulated depreciation. Tangible and intangible assets are subject to straight-line depreciation and amortisation over the period of their useful lives. Depreciation and amortisation have been applied since the month the asset was taken into use.

Depreciation and amortisation periods:	
Intangible rights	5 or 10 years
Other capitalised long-term expenses	5 or 10 years
Buildings and structure	20-30 yers
Other buildings and constructions	5 or 10 years
Machinery and equipment	5 or 10 years

The basis for depreciation and amortisation have not changed.

EUR 1,000	1-12/2021	1-12/2020
Depreciation and amortisation according to plan		
Intangible rights	**5**	10
Other capitalised long-term expenses	**31**	50
Buildings and structure	**215**	212
Machinery and equipment	**25**	25
Total	**275**	296

4. OTHER OPERATING EXPENSES

EUR 1,000	1-12/2021	1-12/2020
Other operating expenses		
Rental expenses	**24**	64
Administrative expenses	**514**	501
Other operating expenses	**245**	847
Total	**784**	1,412
Audit fees		
Annual audit	**70**	98
Other services	**11**	-
Total	**81**	98

5. FINANCIAL INCOME AND EXPENSES

EUR 1,000	1-12/2021	1-12/2020
Dividend income		
From associated company	**200**	-
From others	**1**	1
Total	**201**	1
Interest income from long-term investments		
From Group companies	**557**	450
Other interest and financial income		
From Group companies	**899**	1,041
From foreign currency gains	**0**	-
From others	**0**	0
Total	**899**	1,041
Financial income, total	**1,657**	1,492
Interest expenses and other financial expenses		
From interest expenses	**82**	139
To others	**48**	126
Total	**131**	265
Financial expenses total	**131**	265
Financial income and expenses, total	**1,526**	1,227

6. INCOME TAXES

EUR 1,000	1-12/2021	1-12/2020
Change in deferred tax assets	**190**	-745
Total	**190**	-745

7. LONG-TERM INTANGIBLE ASSETS

Intangible assets 2021

EUR 1,000	Intangible rights	Other capitlised long-term expenses	Total
Acquisition cost 1 Jan.	**139**	**284**	**423**
Additions	**-**	**6**	**6**
Acquisition cost 31 Dec.	**139**	**291**	**430**
Accumulated amortisation 1 Jan.	**-119**	**-172**	**-291**
Amortisation for the period	**-5**	**-31**	**-36**
Accumulated amortisation 31 Dec.	**-124**	**-203**	**-327**
Book value 31 Dec. 2020	**15**	**88**	**102**

Intangible assets 2020

EUR 1,000	Intangible rights	Other capitlised long-term expenses	Total
Acquisition cost 1 Jan.	124	238	362
Additions	15	46	62
Acquisition cost 31 Dec.	139	284	423
Accumulated amortisation 1 Jan.	-109	-122	-232
Amortisation for the period	-10	-50	-60
Accumulated amortisation 31 Dec.	-119	-172	-291
Book value 31 Dec. 2019	20	112	132

8. LONG-TERM TANGIBLE ASSETS

Tangible assets 2021

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress	Total
Acquisition cost 1 Jan.	2,157	4,598	275	57	19	7,107
Additions	-	893	-	-	-	893
Disposals	-	-227	-20	-	-	-246
Transfers between items	-	19	-	-	-19	-
Acquisition cost 31 Dec.	2,157	5,283	255	57	-	7,753
Accumulated depreciation 1 Jan.	-	-4,148	-250	-	-	-4,398
Disposals, accumulated depreciation	-	214	20	-	-	234
Depreciation for the period	-	-215	-25	-	-	-239
Accumulated depreciation 31 Dec.	-	-4,148	-255	-	-	-4,403
Book value 31 Dec. 2021	2,157	1,135	0	57	-	3,350

Tangible assets 2020

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress	Total
Acquisition cost 1 Jan.	2,157	4,715	279	57	12	7,221
Additions	-	-	-	-	19	19
Disposals	-	-129	-5	-	-	-133
Transfers between items	-	12	-	-	-12	-
Acquisition cost 31 Dec.	2,157	4,598	275	57	19	7,107
Accumulated depreciation 1 Jan.	-	-4,051	-230	-	-	-4,281
Disposals, accumulated depreciation	-	115	5	-	-	119
Depreciation for the period	-	-212	-25	-	-	-236
Accumulated depreciation 31 Dec.	-	-4,148	-250	-	-	-4,398
Book value 31 Dec. 2020	2,157	450	25	57	19	2,709

Revaluation 2021

EUR 1,000	Total
Revaluations are included in the carrying amount of land.	
Land and water areas 31 Dec. 2021	1,722

9. INVESTMENTS

Investments, other investments and receivables 2021

EUR 1,000	Holdings in Group companies	Holdings in associated companies	Other investments	Other receivables	Total
Acquisition cost 1 Jan.	**24,178**	**12,158**	**12**	**4**	**36,352**
Additions	**8,000**	**-**	**-**	**-**	**8,000**
Book value 31 Dec. 2021	**32,178**	**12,158**	**12**	**4**	**44,352**

Investments, other investments and receivables 2020

EUR 1,000	Holdings in Group companies	Holdings in associated companies	Other investments	Other receivables	Total
Acquisition cost 1 Jan.	21,993	13,371	12	4	35,379
Additions	973	-	-	-	973
Reclassifications	1,212	-1,212	-	-	-
Book value 31 Dec. 2020	24,178	12,158	12	4	36,352

10. SHARES OF GROUP COMPANIES, ASSOCIATED COMPANIES AND OTHER SHARES AND

	Domicile	Holding -%
Group companies		
Apetit Ruoka Oy	Säkylä	100
Avena Nordic Grain Oy	Helsinki	100
Foison Oy	Helsinki	100
Lännen Sokeri Oy, non operative company	Säkylä	100
Associated companies		
Sucros Oy	Helsinki	20
Foodwest Oy	Seinäjoki	18.4

Other shares, holdings and long-term receivables

	Book value EUR 1,000
Unquoted shares and holdings	12
Connection fees, long-term receivables	4
Total	16

11. LONG-TERM RECEIVABLES

EUR 1,000	31.12.2021	31.12.2020
Loans receivables from Group companies	**12,592**	11,487
Loans receivable	**-**	5
Other receivables	**613**	580
Total	**13,205**	12,072

12. SHORT-TERM RECEIVABLES

EUR 1,000	31.12.2021	31.12.2020
Accounts receivable	**7**	9
Amounts owed by the Group companies		
Accounts receivable	**892**	685
Loans receivable	**53,396**	60,021
Group account receivables	**-**	5 550
Other receivables	**239**	218
Total	**54,527**	66,473
Amounts owed by the associated companies Accounts receivable		
Accounts receivable	**16**	1
Total	**16**	1
Other receivables from others		
Personnel expenses	**0**	1
Other	**25**	38
Total	**25**	39
Short-term receivables total	**54,575**	66,521

13. DEFERRED TAX ASSETS

EUR 1,000	31.12.2021	31.12.2020
Deferred tax assets, carry forward of unused tax losses	**1,547**	1,356

Deferred tax assets of TEUR 190 (745) have been recognised for the loss to be confirmed in 2020.

The net amount of the off-balance sheet deferred tax liability is TEUR 8.

14. CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	31.12.2021	31.12.2020
Share capital 1 Jan.	**12,635**	12,635
Share capital 31 Dec.	**12,635**	12 635
Share premium account 1 Jan.	**23,391**	23,391
Share premium account 31 Dec.	**23,391**	23,391
Contingency reserve 1 Jan.	**7,232**	7,232
Contingency reserve 31 Dec.	**7,232**	7,232
Invested non-restricted equity capital 1.1		
Invested non-restricted equity capital additions	**111**	-
Invested non-restricted equity capital 31.12	**111**	-
Retained earnings 1 Jan.	**45,113**	49,478
Transfer from previous year's profit	**2,852**	-1,564
Dividends paid	**-3,118**	-2,800
Retained earnings 31 Dec.	**44,847**	45,113
Profit / loss for the financial year	**-435**	2,852
Shareholders' equity 31 Dec.	**87,781**	91,223
Distributable funds		
Contingency reserve	**7,232**	7,232
Invested non-restricted equity capital	**111**	-
Retained earnings	**44,847**	45,113
Profit for the financial year	**-435**	2,852
Distributable funds 31 Dec.	**51,756**	55,198

15. LIABILITIES

EUR 1,000	31.12.2021	31.12.2020
Long-term liabilities		
Loans from financial institutions	**-**	482
Payables based on derivative instruments	**109**	226
Provisions for pensions	**613**	580
Total	**722**	1,288
Short-term liabilities		
Loans from financial institutions	**482**	964
Commercial papers	**28,000**	15,000
Trade payables	**248**	211
Total	**28,730**	16,175
Amounts owed to Group companies		
Other liabilities	**61**	61
Group account liabilities	**6,197**	10,493
Total	**6,259**	10,555
Amounts owed to associated companies		
Trade payables	**26**	19
Other liabilities		
Tax account payable	**235**	246
Accrued expenses and deferred income		
Personnel expenses	**230**	380
Accruals of expenses	**51**	57
Total	**281**	437
Long-term liabilities, interest-bearing, total	**-**	482
Long-term non-interest-bearing liabilities	**722**	806
Short-term liabilities, interest-bearing, total	**34,679**	26,457
Short-term liabilities, non-interest-bearing, total	**851**	974
Total	**36,252**	28,719

16. CONTINGENT LIABILITIES

EUR 1,000	31.12.2021	31.12.2020
Lease liabilities		
Falling due during the following year	**197**	140
Falling due at later date	**-**	174
Other lease liabilities		
Falling due during the following year	**10**	14
Other liabilities		
Guarantees	**72**	72
Contingent liabilities on behalf of the Group companies		
Guarantees	**2,155**	2,155
Liabilities total	**2,434**	2,556
Outstanding derivative instruments		
Nominal value of underlying instruments	**10,482**	11,445
Market value	**-109**	-226

Other liabilities

The company is required to revise the value-added tax deductions carried out on the real estate investments finished in 2014 if the use of the property is decreased during the revision period. The maximum amount of the commitment is TEUR 242 and the final revision year is 2031.

Proposal of the Board of Directors for the distribution of profits

The parent company's distributable funds totalled EUR 51,755,599.32 on 31 December 2021, of which EUR -435,239.47 is loss for the financial year.

The Board of Directors will propose to the Annual General Meeting that the distributable funds be used as follows:

Distributed as a dividend of EUR 0.40 per share i.e. a total of at Financial statement date	
for the entire number of shares	EUR 2,527,030.40
for the number of shares owned by outside the company	EUR 2,495,569.20

No significant changes have taken place in the financial position of the parent company since the end of the financial year. The company's liquidity is good, and the Board deems that the company's solvency will not be jeopardised by the proposed distribution of dividends. No dividend will be paid on the company's own shares.

SIGNATURES TO THE BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Säkylä 16 February 2022

Lasse Aho
Chairman

Annikka Hurme

Kati Sulin

Niko Simula

Antti Korpiniemi

Esa Mäki
CEO

SAn auditor's report has been issued today.

Säkylä 16 February 2022

Ernst & Young Oy
Authorised Public Accountants

Osmo Valovirta, KHT

Erika Grönlund, KHT

Auditor's Report

(TRANSLATION OF THE FINNISH ORIGINAL)

TO THE ANNUAL GENERAL MEETING OF APETIT OYJ

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Apetit Oyj (business identity code 0197395-5) for the year ended 31 December, 2021. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 4. to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition *We refer to the Group's accounting policies and the note 2* The group's net sales consist mainly of the sales of frozen food as well as oil seed products and grain. The Group satisfies its agreed performance obligations and recognizes revenue when control over product is transferred to a customer. Timing of revenue recognition is considered as a key audit matter especially in grain trade business, where individual transactions are of significant size. This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).	Our audit procedures to address the risk of material misstatement in respect of revenue recognition included among others: • We assessed the appropriateness of the group's accounting policies over revenue recognition compared to IFRS standards. • We familiarized ourselves with the group's processes and controls over timing of revenue recognition. • We tested the correct timing of revenue recognition by using analytical procedures and transaction level testing. Our procedures included data analytics, obtaining external confirmations and transaction level testing before and after the balance sheet date as well as inspection of credit notes issued after the balance sheet date. • We considered the appropriateness of the group's disclosures in respect of revenues.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of shares in associated companies *We refer to Group's accounting policies and notes 13 and 14* As of balance sheet date December 31, 2021 shares in associated companies amounted to 19,9 M€ in the Group's balance sheet consisting mainly of ownership in Sucros group. The profitability of Sucros group has been weak during the past years, which may be an indication of impairment of the assets. The management has prepared an impairment test calculation based on the value in use of the Group's net investment in Sucros. The valuation of shares in associated companies was a key audit matter because the impairment testing imposes significant estimates and judgement.	We performed, among others, the following audit procedures: • We assessed the basis and appropriateness of the forecasts used, like projected profitability and discount rate. • We tested the mathematical accuracy of the calculation. • We involved our valuation specialists to assist us in evaluating the appropriateness and suitability of the methodologies used and in evaluating the assumptions used in relation to market and industry information.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of deferred tax assets *We refer to Group's accounting policies and note* At December 31, 2021 deferred tax assets amounted to 4,2 M€ in the Group's balance sheet. Deferred tax assets relate mainly to tax losses carries forward. Valuation of deferred tax asset was a key audit matter because when assessing the recoverability of deferred tax assets management prepares forecasts that involve significant assumptions and judgement.	We performed, among others, the following audit procedures: • We assessed the compliance of the group's accounting policies over the recording deferred tax assets with applicable IFRS standards. • We evaluated the management's forecasts regarding the recoverability of deferred tax assets, for example the projected profitability of the business. • We considered the appropriateness of the group's disclosures about the deferred tax assets.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

INFORMATION ON OUR AUDIT ENGAGEMENT

We were first appointed as auditors by the Annual General Meeting on May 28, 2021.

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Säkylä 16.2.2022

Ernst & Young Oy
Authorized Public Accountant Firm

Osmo Valovirta	Erika Grönlund
Authorized Public Accountant	Authorized Public Accountant

Statement by the Supervisory Board

The Supervisory Board has today reviewed Apetit Plc's financial statements 2021 including the consolidated financial statements, the Board of Directors' report and the auditors' report provided by the Company's auditors. The Supervisory Board has no comments to make on these.

The Supervisory Board proposes that the parent company financial statements and consolidated financial statements be adopted and concurs with the proposal of the Board of Directors concerning the distribution of the profit funds.

The term of the following Supervisory Board members will end on the date of the Annual General Meeting: Pekka Perälä, Jussi Hantula, Risto Korpela, Jonas Laxåback, Timo Ruippo ja Veli-Pekka Suni.

2 March 2022

For the Supervisory Board

Harri Eela	Teemu Luovila
Chairman	Secretary of the meeting

GOVERNANCE

Corporate Governance Statement of Apetit Plc 2021

This Corporate Governance Statement of Apetit Plc has been drawn up in accordance with the Finnish Corporate Governance Code 2020 of the Securities Market Association. The Corporate Governance Statement has been considered by Apetit Plc's Board of Directors and is issued separately from the Board of Directors' report. The company's auditors have confirmed that the Corporate Governance Statement has been issued and that the description it contains of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with the financial statements.

Apetit Plc complies with the Finnish Corporate Governance Code 2020 published by the Securities Market Association, which came into effect on 1 January 2020.

The company does not follow recommendation 5 concerning the election of the members of the Board and recommendation 15 concerning the number of members of Audit Committee. Recommendation 5 of the Corporate Governance Code states that the general meeting shall elect the members of the Board of Directors. Under Apetit Plc's Articles of Association, however, the Supervisory Board elects the members of the Board based on the proposals of the Nomination Committee and decides on their remuneration. The company has chosen to deviate from the recommendation because the Supervisory Board, as the body that oversees the company's Board of Directors, is best placed to assess the composition of the Board of Directors and the attributes required of Board members. According to recommendation 15 of the Corporate Governance Code, the number of committee members should be at least three. Given the size of the company, the number of members of the Board of Directors and the division of labor between the Board of Directors and the Audit Committee, the Board of Directors has appropriately considered that the Audit Committee consists of two members.

The Corporate Governance Code is publicly available on the website of the Securities Market Association at www.cgfinland.fi.

Board of Directors

1. BOARD OF DIRECTORS ELECTION PROCEDURE LAID DOWN IN THE ARTICLES OF ASSOCIATION

Under Apetit Plc's Articles of Association, the Supervisory Board decides the number of members of the Board of Directors and their remuneration based on the proposals of the Nomination Committee and elects the members of the Board of Directors.

In accordance with the Articles of Association, Apetit Plc's Board of Directors consists of a minimum of five and a maximum of seven members. The Articles of Association do not limit the number of terms served by members of the Board of Directors nor is the Supervisory Boards decision-making power in the election of members of the Board of Directors restricted in any other way.

2. COMPOSITION OF BOARD OF DIRECTORS

Members

Lasse Aho, Annikka Hurme, Antti Korpiniemi, Kati Rajala, Simo Palokangas and Niko Simula formed Apetit Plc's Board of Directors from 1 January to 31 May 2021. Kati Rajala resigned from the Board of Directors on 31 May 2021 to join Fazer Group on 1 August 2021. The other Board members' term of office continued until the meeting of Apetit Plc's Supervisory Board on 17 August 2021.

At the meeting held on 17 August 2021, Apetit Plc's Supervisory Board decided to elect five members to Apetit Plc's Board of Directors. Lasse Aho, Annikka Hurme, Antti Korpiniemi, Niko Simula and Kati Sulin were elected as members of the Board of Directors. Apetit Plc's Supervisory Board elected Lasse Aho as the Chair of the Board of Directors.

Information of members of the Board of Directors

Simo Palokangas, b. 1944, President and CEO, M.Sc. (Agric.), MMT h.c.
Chairman until 17 August 2021
Share ownership 31 December 2021: 15,586 shares

Lasse Aho, b. 1958, M.Sc. (Soc.), Finnish honorary title Vuorineuvos
Principal occupation: CEO, Olvi plc
Member since 2015
Chairman since 17 August 2021
Share ownership 31 December 2021: 9,498 shares

Annikka Hurme, b. 1964, M.Sc.
Principal occupation: Valio Ltd, CEO
Member of the Board since 2017
Share ownership 31 December 2021: 3,578 shares

Antti Korpiniemi, b. 1961, M.Sc. (Agric.), eMBA
Principal occupation: Berner Ltd and Bröderna Berner AB Sweden, CEO
Member of the Board since 2020
Share ownership 31 December 2021: 935 shares

Kati Sulin, b. 1974 MA
Principal occupation: Ifolor Oy, Managing Director
Member of the Board since 2021
Share ownership 31 December 2021: 211 shares

Kati Rajala, b. 1972, M.Sc. (Tech)
Member of the Board until 17 August 2021
Share ownership 31 December 2021: 529 shares

Niko Simula, b. 1966, L.L.M. with court training
Principal occupation: farmer
Member since 2015
Deputy Chairman of the Board since 17 August 2021
Share ownership 31 December 2021: 5,167 shares

Evaluation of independence

The company's Board of Directors has performed an evaluation of the independence of the Board's members in relation to the company and in relation to the major shareholders, in accordance with recommendation 10 of the Corporate Governance Code.

Member of the board Antti Korpiniemi serves as CEO of Berner Oy. Apetit Group's subsidiaries have business cooperation with the Berner Oy. In addition, Berner Oy is a significant shareholder in Apetit Plc. Based on the above, Antti Korpiniemi is not independent of the company or its significant shareholder in accordance with the Corporate Governance Code 2020. The evaluation found that all of the other Board members are independent of the company and of significant shareholders as referred to in the Corporate Governance Code recommendation.

3. DESCRIPTION OF THE OPERATION OF THE BOARD OF DIRECTORS

Main elements of the Board of Directors' rules of procedure

- The rules of procedure of the Board of Directors describe the following
- functions of the Board of Directors and the Board's chairman
- planning and assessment of the Board's operation
- establishment of Board committees and temporary working groups, and
- practices for approving the expenses of Board members and the Chief Executive Officer (CEO)

Functions of the Board of Directors

The general function of the Board of Directors is to direct the operations of the company in such a way that in the long run the amount of added value for the capital invested is maximized, taking into account at the same time the expectations of the different stakeholders. The Board of Directors also monitors on a continuous basis the demands placed by shareholders on the Board of Directors and the general development of ownership policy.
For the purpose of performing its functions the Board of Directors:

- considers the company's corporate governance statement
- appoints and releases from duties the CEO and Deputy to the CEO, determines their duties and decides on their terms of service and their incentive schemes
- sets personal targets for the CEO annually and assesses their realization

- convenes at least once a year without the operating organization's management in attendance
- holds a meeting with the auditors at least once a year
- prepares a draft resolution on the choice of auditors for submission to the general meeting
- assesses its own performance once a year
- confirms its rules of procedure, which are reviewed annually
- discusses other matters proposed by the Board of Directors chairman or the CEO for inclusion in the meeting agenda. Members of the Board of Directors are also entitled to have a matter of their choosing discussed by the Board by first notifying the chairman of this.

Based on proposals presented by the CEO, the Board of Directors:
- confirms the company's ethical values and operating policies, and supervises their implementation
- confirms the company's basic strategy and continuously monitors its validity
- defines the company's dividend policy
- approves the annual operating plan and budget on the basis of the strategy, and supervises their implementation
- approves the total annual investment and its distribution among the business areas, and decides on large and strategically important investments, acquisitions and divestments
- confirms the operating guidelines for the company's internal control, ensuring annually that they are kept up-to-date, and monitors the effectiveness of internal control
- confirms the company's risk management policy and principles as well as the risk limits to be confirmed annually, and monitors the effectiveness of the risk management systems
- reviews quarterly the main risks associated with the company's operations and the management of these risks
- approves interim reports, the Board of Directors' report and financial statements discussed by the Audit Committee
- confirms the Group's organizational structure
- where necessary, submits proposals to the general meeting concerning the remuneration systems for management and personnel
- annually monitors issues associated with management successors and draws up the necessary conclusions
- confirms the decisions of the CEO about the choice of the CEO's immediate subordinates, their duties, terms of employment and incentive schemes, and
- monitors the company's working atmosphere and the way in which personnel cope with their tasks

Planning and assessment of the Board's operation

The Board of Directors draws up an operating plan for itself for the ensuing 12 months. The plan includes a schedule of meetings and, for each meeting, the most important issues for discussion.

The Board of Directors assesses its performance annually through a self-evaluation, and the evaluation results are submitted to the Supervisory Board for its information. The evaluation results are taken into consideration in the preparation of proposals for the composition of the new Board of Directors.

Board of Directors' meetings in 2021

The Apetit Plc Board of Directors convened 12 times in 2021. The meeting attendance rate of members was as follows:

Simo Palokangas	100%
Lasse Aho	100%
Annikka Hurme	100%
Antti Korpiniemi	92%
Kati Rajala	100%
Kati Sulin	100%
Niko Simula	100%

Audit Committee of the Board of Directors

The Board of Directors has elected an Audit Committee from among its members. The Chairman of the Committee until 17 August 2021 was Lasse Aho and the member of the Committee was Niko Simula. From 17 August 2021 the members of the Committee were Niko Simula as the Chairman of the Committee and Annikka Hurme as the member of the Committee. The Committee convened four times in 2021. The attendance rate of the members was 100%.

The purpose of the Audit Committee is

- to consider the financial statements and the consolidated financial statements and the financial statement release and inspect them with the management of the company before they are considered by the Board, and to monitor and supervise the Group's financial statement and the financial reporting process,
- to consider the company's Board of Directors' report, and the company's corporate governance statement before they are considered by the Board of Directors, and to assess their consistency with the financial statements,
- to familiarize themselves with applicable accounting principles and management estimates used in their preparation and the auditor's audit findings, changes in

accounting policies, and their impact on the company's financial statements and the consolidated financial statements and on the Group's financial reporting,
- to prepare the decisions of the Board of Directors on significant changes in the company's accounting principles or the valuation of the Group's assets,
- to follow the development of the company's and the Group's financial situation and, together with executive management, assess the financial information published on the company and the Group,
- to familiarize themselves with the company's and the Group's audit plan for the financial year and to discuss any issues raised during the audit,
- to monitor and evaluate auditing, the level of remuneration, the resources of the auditing firm and the advisory services provided to the company by the auditing firm and the fees paid for them,
- to evaluate the independence and any conflicts of interest of the auditors,
- to prepare a proposal for the company's Board of Directors to present to the annual general meeting on the appointment of the auditors and their fees, to consider and propose to the company's Board of Directors an annual audit plan and to ensure that it covers the relevant risk areas and that cooperation with the auditors is properly organized,
- to supervise the activities and effectiveness of internal audit, internal control and risk management, to familiarize themselves with the organization and processes of these functions, and to ensure that they have the necessary resources at their disposal,
- to consider all key reports drawn up by internal audit, internal control and risk management,
- to assess compliance with laws and regulations and to supervise the associated process,
- to monitor compliance with the company's and the Group's corporate governance guidelines.
- The Audit Committee may also consider any other issues and tasks assigned to it by the company's Board of Directors.

Supervisory Board

1. COMPOSITION AND TERM

In accordance with the Articles of Association, the Supervisory Board comprises a minimum of 15 and a maximum of 18 members elected by the general meeting. In addition, the personnel choose from among its members a maximum of four Supervisory Board members at a time, and each of these members has a personal deputy. The members' term of office ends at the close of the third Annual General Meeting following their election.

2. FUNCTIONS

The Supervisory Board elects the members, chairman and vice chairman of the Board of Directors, and decides on their remuneration in accordance with the preparation of the Nomination Committee.

The Supervisory Board is also responsible for supervising the corporate administration, issuing instructions to the Board of Directors, issuing an opinion on the financial statements, the Board of Director's report and the auditors' report, and other duties that are prescribed for it in the Limited Liability Companies Act.

3. COMPOSITION OF THE SUPERVISORY BOARD AND INFORMATION ON ITS MEMBERS

In accordance with the decisions made by Annual General Meetings 2020 and 2021, the number of members in the Supervisory Board has been 18.

Information of members of the Supervisory Board on 31 December 2021:

Harri Eela, b. 1960, wood-products industries technician, Sales Director
Chairman of the Supervisory Board since 2014, member since 2012

Maisa Mikola, b. 1971, M.Sc. (Agric.), farmer
Deputy Chairman of the Supervisory Board since 2011, member since 2005

Kirsi Ahlgren, b. 1975, agricultural entrepreneur, Bachelor of Natural Resources (Agric.)
Member since 2021

Nicolas Berner, b.1972, LL.B.
Member since 2021

Jaakko Halkilahti, b. 1967, farmer
Member since 2011

Jussi Hantula, b. 1955, farmer
Member since 1995

Juha Hämäläinen, b. 1975, M.Sc. (Agric.), agricultural entrepreneur, Bachelor of Natural Resources
Member since 2008

Laura Hämäläinen, b. 1975, M.Sc. (Agric.), farmer
Member since 2009

Risto Korpela, b. 1949, (Econ. & Bus. Adm.), Managing Director
Member since 2007

Jonas Laxåback, b. 1973, M.Sc. (Agric.), Secretary General
Member since 2013

Jari Nevavuori, b. 1966, M.Sc. (Agric.), Development Manager, farmer
Member since 2012

Pekka Perälä, b. 1961, M.Sc. (Admin.), CEO
Member since 2016

Markku Pärssinen, b. 1957, M.Sc. (Agric.), Secretary General
Member since 2012

Petri Rakkolainen, b. 1966, engineer, Managing Director, farmer
Member since 2014

Timo Ruippo, b. 1968, Agricultural Technician, farmer
Member since 2013

Olli Saaristo, b. 1987, M.Sc. (Agric.), customer relationship manager
Member since 2020

Veli-Pekka Suni, b. in 1964, farmer, Bachelor of Natural Resources
Member since 2016

Mauno Ylinen, b. 1965, M.Sc. (Agric.)
Member since 2005

Members appointed by the personnel:

Timo Hurme, b. 1959
Member since 2021
Deputy member Tuija Österberg

Antti Kaisla, b. 1985
Member since 2021
Deputy member Pirkka Mikkola

Miika Karilainen, b. 1982
Member since 2018
Deputy member Emma Äimänen

Susanna Uotila, b.1986
Member since 2021
Deputy member Marika Palmén

4. MEETINGS OF THE SUPERVISORY BOARD IN 2021

The Supervisory Board convened three times in 2021. The average attendance rate of members was 88%.

Supervisory Board Nomination Committee

1. COMPOSITION AND TASKS

The Supervisory Board's Nomination Committee, which prepares the names for election to the Board of Directors, consists of two members chosen by the Annual General Meeting, the chairman of the Supervisory Board, the deputy chairman of the Supervisory Board and the chairman of the Board of Directors, in accordance with the Articles of Association. The Nomination Committee is chaired by the Supervisory Board's chairman, and in his/her absence, by the Supervisory Board's deputy chairman.

The Nomination Committee has the task of preparing proposals for the Supervisory Board on the number of members of the Board of Directors, the names of the members, chairman and deputy chairman of the Board of Directors and the remuneration payable to them. The Committee's tasks also include searching for successor candidates to replace members of the Board of Directors, as necessary. The Committee asks shareholders with significant voting power for their views concerning the proposals being put to the Supervisory Board.

2. ACTIVITY

In 2021 the Nomination Committee convened six times to discuss matters pertaining to the Committee's tasks. The average attendance rate of the Committee's members was 100%.

3. INFORMATION ON MEMBERS OF THE NOMINATION COMMITTEE 31 DECEMBER 2021

Chairman Harri Eela, b. 1960, wood-products industries technician, Sales Director, Cursor Oy
Chairman of the Apetit Plc Supervisory Board

Henrika Vikman, b. 1976, LL.M.
CEO, Nordea Investment Management

Maisa Mikola,b. 1971
M.Sc. (Agric.), farmer
Deputy Chairman of the Apetit Plc Supervisory Board

Lasse Aho, b. 1958, M.Sc. (Soc.), Finnish honorary title Vuorineuvos
Chairman of the Apetit Plc Board since 17 August 2021

Pekka Perälä,b. 1961, M.Sc.
CEO, Valio Pension Fund

CEO

CEO SINCE SEPTEMBER 2019
Esa Mäki, b. 1966, M.Sc. (Agriculture and Forestry)
Share ownership 31 December 2021: 2,586 shares

CEO's duties

It is the CEO's duty to direct the operations of the company according to the instructions and provisions issued by the Board of Directors and to inform the Board about the development of the company's business operations and financial situation.

The CEO is also responsible for arrangement of the day-to-day management of the company and for seeing that the company's accounts are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Corporate Management

The Group's Corporate Management is chaired by the CEO of Apetit Plc. Its members are:

Tero Heikkinen, b. 1974, M.Sc. (Econ & Bus. Admin)
Director, Grain Trade and Oilseed products
Share ownership 31 December 2021: 1,200 shares

Ari Kulmala,b. 1967, MBA, Production Engineer
Production director
Share ownership 31 December 2021: 1,200 shares

Teemu Luovila, b. 1974, M.Sc. (Accounting & Financing)
CFO
Share ownership 31 December 2021: 1,200 shares

Timo Partola,b. 1972, M.Sc (Econ.)
Commercial director
Share ownership 31 December 2021: 1,200 shares

Sanna Väisänen, b. 1977, Master of Arts,
Communications Director,
Communications and Sustainability
Share ownership 31 December 2021: 1,200 shares

The Corporate Management does not exercise powers based on law or the Articles of Association. The Corporate Management is an advisory body appointed by Apetit Plc's CEO and has the task of discussing Group-wide development projects and Group-level principles and procedures as necessary. The CEO is responsible for choosing the members of the Corporate Management.

Main features of the internal control and risk management systems pertaining to the financial reporting process

1. INTERNAL CONTROL OPERATING PRINCIPLES

Apetit Plc's Board of Directors confirms the operating principles for the Apetit Group's internal control and assesses the state of internal control at least once a year.

Internal control refers to all the operating methods, systems and procedures with which the company's management seeks to ensure efficient, economical and reliable operations. Internal control comprises financial and other control. At Apetit, internal control is performed by the company's management and by all other personnel.

Risk management as part of internal control refers to the identification, assessment, restriction and monitoring of risks arising in business activities and risks that are materially related to this.

2. ROLE OF COMPANY BOARDS IN ARRANGING INTERNAL CONTROL

Apetit Plc's Board of Directors is responsible for arranging and maintaining sufficient and effective internal control within the Apetit Group.

As part of the arrangement of internal control and risk management, the company's Board of Directors regularly monitors the results and operating risks of the Group and its business units, and decides on the reporting, the procedures and the qualitative and quantitative indicators for assessing the efficiency and profitability of operations. The Group's Board of Directors confirms the Group's risk policy, risk management principles and key risk limits.

To ensure implementation of the Group's ownership policy towards the Group companies and to monitor the effectiveness of internal control, the boards of directors of the main Group companies include one or more members of the Group's Corporate Management. Group-level risk management and financial reporting are performed on a centralized basis in the Group Administration, independent of the different business activities. The boards of directors of Group companies are responsible for the highest level of management duties related to the internal control of their respective companies. The operating organization's management in each of the Group companies is responsible for the implementation of internal control and risk management in line with the pre-determined principles and operating guidelines, and for reporting on the company's operations, risk-bearing ability and risk situation in accordance the Group's management system.

3. IMPLEMENTATION OF INTERNAL CONTROL WITHIN APETIT PLC AND THE GROUP COMPANIES

The main principles of internal control observed within Apetit Plc and the Group companies are:

Organizational structure and division of tasks

The basis for internal control is the function-specific line organization that is further divided into departments, units and teams, as necessary. The organizational units are allotted defined tasks and responsibilities required for the company's operations. The task of the operating organization's management, i.e. the managers of the Group's business areas and operations, is to set quantitative and qualitative targets for the various areas of the business in accordance with the business plan approved by the Board of Directors. For the units, decision-making bodies and people operating within the framework of the organization there are separately defined decision-making and operating powers set out in work and job specifications, as well as obligations to report to one's superiors or otherwise to a higher organizational level. The task of the operating organization's management is to ensure that those working under them are familiar with their own duties, and the management are required to create the right conditions for their personnel to be able to perform their work and achieve the targets.

Decision-making and monitoring

Significant commitments or other actions deemed to carry risks are subject to the approval of the Group's Board of Directors. Business units are responsible for formulating proposed decisions and for putting decisions into effect. Reporting on the implementation of decisions is made to the Board of Directors.

Business activities and processes are guided within the confines of operating guidelines and descriptions, which are monitored to ensure they are complied with and kept up-to-date. All decisions taken are documented and archived. An essential aspect of risk management is the performance of daily controls in the operating chains and processes.

Risk management

The internal and external risks of Apetit Plc and the Group companies that could have an adverse effect on achieving business targets are identified, assessed regularly and reported to the Group Board of Directors. The risks are contained and the confining limits are monitored.

The Group Administration's financial management has the task of monitoring, measuring and reporting risks and of maintaining, developing and preparing risk management principles for the Board of Directors' approval, and of drafting procedures for use in risk assessment and measurement. Roles and responsibilities are defined in Apetit's risk management policy and risk management principles, which are approved by the Group's Board of Directors.

Data systems

The basis for business and other activities is provided by the accounting, information and business IT systems. The parent company and the Group companies have an IT strategy in accordance with currently assessed needs and sufficient and appropriately organized IT systems. The IT function ensures that the company's data resources can be utilized in the planning, management, execution and monitoring of the company's business.

Responsibility for the effectiveness of internal control

The operating organization's management has the primary responsibility for ensuring the implementation of practical measures for internal control. The management must constantly monitor the operations it is responsible for and must take the necessary development measures if action contrary to guidelines or decisions or action that is otherwise ineffective or inappropriate is observed. In a transparent and effective organization the entire personnel are all responsible not only for the appropriate discharging of their own duties but also for the fluency of operations with the rest of the organization.

4. REPORTING AND MANAGEMENT SYSTEMS

Internal control is supported by appropriate reporting that allows monitoring of operations, results and risks. Achievement of the business targets and developments in the Group's financial situation are monitored with the aid of a Group-wide management system. The Group's accounting principles, controls and responsibilities are described in the Apetit Group's accounting manual. Reporting guidelines and timetables have been drawn up in writing for monthly reporting and preparation of half year report and annual financial statements as well as business reviews of firs and third quarters. The company's financial management unit constantly monitors the business units' reporting and develops and produces guidelines on the content of reporting, taking into account the needs of internal control. The Group prepares financial information for publication, complying with the international financial reporting standards (IFRS). A half year report, business reviews and annual financial statements are reviewed by the Group's Board of Directors and are subject to its approval.

The annual budgets are prepared based on financial estimates and strategic figures. The Group's Board of Directors assesses and approves the business units' annual budgets. In addition, on a quarterly basis or more often, the business units update the profit and balance sheet estimates.

Monthly reporting and related analysis for budgets and estimates constitute a key element of Apetit's management system and internal control. Financial figures are assembled from the business units' data systems every month for the Group's joint accounting system.

The outturn information and up-to-date estimates are reviewed monthly in Group-level. The management system comprises the actual profit and balance sheet information, the key figures and the written management report of those responsible for the businesses. The management report covers the factors that affected the results given in the month's report, the measures planned for the immediate term and an assessment of the operating profit for the current quarter and the full year.

The Group CEO and members of the Corporate Management are issued with the reports, and the Group's Board of Directors is issued with a summary for the Group and summaries of the data for each business unit.

The actual results of the unit-specific monitoring measurements, used for business management purposes, in comparison to estimates and targets as well as the reasons for any significant discrepancies between these are also examined regularly with the persons responsible for the business unit in question, with meeting participants present as suitable for the agenda.

5. RELATED PARTY TRANSACTIONS

Apetit regularly identifies its related parties and monitors their business transactions through its ERP system and on the basis of related party communications. Apetit has not carried out any related party transactions that are material to the company and that differ from the ordinary course of business or ordinary market terms and conditions.

6. KEY PROCEDURES IN INSIDER ISSUES

The Company's insiders include i) managers subject to the disclosure obligation, ii) persons included in the insider register and iii) project-specific insiders.

The Company maintains non-public registers of its managers subject to the disclosure obligation and their related parties as well as of the persons included in the insider register. The Company also maintains a non-public register of its project-specific insiders. The people entered into a project-specific insider register are notified of their inclusion and the related obligations in writing or by other verifiable means, such as email. Insiders must confirm receipt of the notification.

A person must submit a basic declaration to the keeper of the Company's insider register immediately after becoming a manager subject to the disclosure obligation. The basic declaration is provided using a form submitted by the Company. A manager who is subject to the disclosure obligation must submit a new declaration whenever changes occur in the circumstances declared on the form. The declaration of changes in circumstances must be provided without delay. Persons who are included in the Company's permanent insider register on the basis of the information they receive from the Company are subject to an equivalent disclosure obligation.

7. INTERNAL AUDIT

The internal audit unit functions objectively and independently in support of the Board of Directors, the CEO and Group Administration, for the purpose of assessing and developing the level of internal control in the Group's different units by providing an independent and objective assessment and advisory service for risk management and monitoring processes within the organisation.

The internal audit is overseen by the Group's CFO based on the annual audit plan approved by the Group's Board of Directors. The internal audit is performed by an external service provider. In 2021, there were no actual internal audit engagements.

Apetit Plc's Remuneration Report 2021

1. Introduction

The remuneration of Apetit Plc's governing bodies is subject to the company's Remuneration Policy. The decision-making and governance related to the Remuneration Policy adhere to the Finnish Limited Liability Companies Act, other regulations applicable to publicly listed companies, the company's Articles of Association and the rules of procedure of the Supervisory Board, the Board of Directors and its Committees. In addition, the company complies with Nasdaq Helsinki Ltd's rules and guidelines and the Finnish Corporate Governance Code approved by the Securities Market Association, which entered into force on 1 January 2020.

This Remuneration Report is prepared according to the Finnish Corporate Governance Code 2020 and contains information about the remuneration of the company's Supervisory Board, Board of Directors and CEO and the key terms of the CEO's service contract as well as other remuneration reporting information, as defined by the Finnish Corporate Governance Code, for the financial year 2021. The Remuneration Report will be available on Apetit's website for a minimum of ten years.

Remuneration in the company is based on the Remuneration Policy that was handled by the Annual General Meeting of 2020. The Remuneration Policy is re-handled by the Annual General Meeting at least at the statutory intervals or more frequently, if necessary. The Company observes the following principles in its remuneration: competitiveness, fairness and equality in terms of the level and demands of tasks, and incentivisation, with the aim of guiding the Company's governing bodies towards the achievement of the strategic objectives of the business. With these principles, Apetit aims to support the alignment of the interests of shareholders, the Company and its personnel, and remuneration is aimed at supporting the Company's long-term financial success.

The remuneration of an external Board member is arranged separately from the remuneration schemes applicable to the Company's CEO or personnel. The remuneration of the CEO mainly follows the principles applied in the remuneration of other employees, but the demands and responsibility associated with the CEO's duties, which affect the fixed and variable remuneration as well as fringe benefits and pension benefits, are taken into consideration.

The following table shows the development of the remuneration of the Supervisory Board, the Board of Directors

Remuneration development, EUR 1,000	2021	2020	2019	2018	2017
Supervisory Board's annual, meeting and Committee remuneration	48	51	48	47	48
Board of Directors' annual, meeting and Committee remuneration	165	170	150	163	163
CEO's annual remuneration	350	395	1,039	757	563
Average annual salary per person	47	49	45	42	41
Group's operating profit (EUR million)	2.8	4.1	-3.4	-6.9	-2.5

and the CEO compared to the development of the average remuneration of all Group employees and the Group's financial performance during the last five financial years. Long-term share-based incentive schemes are included in the reporting in the year when the remuneration is irrevocably earned. Other than that, the figures are presented on an accrual basis.

2. Description of the remuneration of the Supervisory Board

The meeting allowance for the chairpersons and members of the Supervisory Board is EUR 300. A monthly fee of EUR 1,000 is paid to the Chair of the Supervisory Board and EUR 665 to the Deputy Chair. A meeting allowance is also paid to the members of the Nomination Committee for attending the meetings of the Nomination Committee and to the Chair and Deputy Chair of the Supervisory Board when they attend a Board meeting. Per diem and travel allowances for attending a meeting are paid to the members of the Supervisory Board in accordance with the company's travel policy. The members of the Supervisory Board were paid remuneration for their services as follows:

EUR 1,000	1-12/2021	1-12/2020
Harri Eela, Chair of the Supervisory Board	19	20
Maisa Mikola, Deputy Chair of the Supervisory Board	15	16
Other members of the Supervisory Board, total	14	16
Supervisory board, total	48	51

3. Description of the remuneration of the Board of Directors

In accordance with the decision of the Supervisory Board, the Board members will be paid an annual remuneration of EUR 19,560 and the Chair and Deputy Chair will 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 in four parts. In addition, the Chair of the Board is paid EUR 510 and Deputy Chairman of the Board and members of the Board of Directors are paid a meeting allowance of and EUR 300, respectively. Changes in the number of Board members and the number of meetings influence the development of the total remuneration amount of the Board of Directors. The Board of Directors were paid remuneration for their services as follows:

EUR 1,000	1-12/2021	1-12/2020
Simo Palokangas, Chair of the Board of Directors until 17 August 2021	32	50
Lasse Aho, The Deputy Chair of the Board of Directors, Chair of the Board since 17 August 2021	35	30
Niko Simula, member of the Board of Directors, The Deputy of the Board of Directors since 17 August 2021	26	26
Annikka Hurme, member of the Board of Directors	24	23

EUR 1,000	1-12/2021	1-12/2020
Antti Korpiniemi, member of the Board of Directors as of 12 August 2020	23	15
Kati Rajala, member of the Board of Directors until 31 May 2021	16	15
Kati Sulin, member of the Board of Directors since 17 August 2021	8	10
The Board, total	165	170

4. Description of the remuneration of the CEO

The remuneration of the CEO consists of a combination of fixed remuneration components (monetary salary, fringe benefits and supplementary defined contribution pension benefit) and short-time and long-time variable remuneration components (performance-related compensation). The performance indicator for the short-time annual performance-related compensation has been the Group's profitability. The maximum amount of the short-time performance-related compensation was 50 per cent of the annual salary and it will be paid in cash. Long-term incentive schemes are share-based schemes, in which remuneration, if any, is paid as a combination of shares and cash. The purpose of the cash contribution is to cover taxes and tax-like charges incurred to the remuneration recipient under the scheme. The amount of remuneration paid from share-based schemes depends on the achievement of the earning criteria. Currently, there are two different schemes in force: the bonus share scheme and the performance-based share remuneration scheme. In both schemes, one of the earning criteria is the continuous service contract at the time of payment of the remuneration. In the bonus share scheme, one of the criteria is the CEO's own investment in Apetit Plc's shares and, in the performance-based share remuneration scheme, the criteria include the development of Apetit Group's profitability. The earning periods of the schemes started in 2021 and will end in 2023. The Board of Directors has the right to unilaterally change the terms and conditions of variable incentive schemes for a weighty reason. The Board of Directors recommends that the shares purchased and received as remuneration must be held in possession for at least until the value of the shares held equals a minimum 50 per cent of the fixed gross annual salary. The key terms applicable to the CEO's service are defined in the CEO's service contract. The CEO's retirement age is 63 years and the period of notice is 12 months. The CEO has no defined benefit pension.

In the financial year 2021, the CEO was paid remuneration for his services as follows. Long-term share-based incentive schemes are included in the reporting as a separate item in the year when the remuneration is irrevocably earned. Other than that, the figures are presented on an accrual basis. When the performance criteria are fully met, the CEO may earn, from the share-based schemes granted in 2021, up to 5,000 shares as well as cash remuneration corresponding to the same number of shares.

Remuneration paid to the CEO, EUR 1,000	Fixed salary	Pension benefit amount recognised as expense	Short-term performance-related compensation	Share-based payments	Total	Share of variable remuneration
Esa Mäki, CEO as of 1 September 2019	317	33	0	0	350	0%

Information for shareholders

Annual general meeting

Apetit Plc's Annual General Meeting is planned to be held on Thursday, May 5, 2022. Apetit's Board of Directors will summon the meeting at a later date.

A shareholder shall make potential demands on matters to be dealt with by the annual General Meeting 2022 in accordance with the Companies Act chapter 5, section 5 no later than 11 March 2022.

Board of director's divident proposal

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.40 per share be paid for the financial year 2021.

Financial reporting in 2022

Apetit Plc released its financial statements bulletin for 2021 on Thursday 17 February 2022 at 8.30 a.m. The annual report was published on the company's website in the week beginning 7 March 2022.

Interim reports for 2022 will be published as follows:

- Business Review for January–March: Tuesday 26 April 2022 at 8.30 a.m.
- Half year financial report for January–June: Thursday 18 August 2022 at 8.30 a.m.
- Business Review for January–September: Tuesday 25 October 2022 at 8.30 a.m.

The annual report, financial statements bulletin and interim reports will be published in Finnish and in English. These will be available on Apetit Plc's website (apetit.fi > In English >Investors), and can also be downloaded in PDF format.

Changes in personal details

Shareholders are requested to give notification of any changes in their personal details to the bank that holds their book-entry account.

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