

# 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, 2022. 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	Key Audit Matter	How our audit addressed the Key Audit Matter	Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Revenue Recognition</b>  <i>We refer to the Group's accounting policies and the note 2</i></p> <p>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.</p> <p>Timing of revenue recognition is considered as a key audit matter especially in grain trade business, where individual transactions are of significant size.</p> <p>This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).</p>	<p>Our audit procedures to address the risk of material misstatement in respect of revenue recognition included among others:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the group's accounting policies over revenue recognition compared to IFRS standards.</li> <li>• We familiarized ourselves with the group's processes and controls over timing of revenue recognition.</li> <li>• 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.</li> <li>• We considered the appropriateness of the group's disclosures in respect of revenues</li> </ul>	<p><b>Valuation of shares in associated companies</b>  <i>We refer to Group's accounting policies and notes 13 and 14</i></p> <p>As of balance sheet date December 31, 2022 shares in associated companies amounted to 20,1 M€ in the Group's balance sheet consisting mainly of ownership in Sucros group.</p> <p>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.</p>	<p>We performed, among others, the following audit procedures:</p> <ul style="list-style-type: none"> <li>• We assessed the basis and appropriateness of the forecasts used, like projected profitability and discount rate.</li> <li>• We tested the mathematical accuracy of the calculation.</li> <li>• 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.</li> </ul>	<p><b>Valuation of deferred tax assets</b>  <i>We refer to Group's accounting policies and note 11</i></p> <p>At December 31, 2022 deferred tax assets amounted to 3,2 M€ in the Group's balance sheet. Deferred tax assets relate mainly to tax losses carries forward.</p> <p>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.</p>	<p>We performed, among others, the following audit procedures:</p> <ul style="list-style-type: none"> <li>• We assessed the compliance of the group's accounting policies over the recording deferred tax assets with applicable IFRS standards.</li> <li>• We evaluated the management's forecasts regarding the recoverability of deferred tax assets, for example the projected profitability of the business.</li> <li>• We considered the appropriateness of the group's disclosures about the deferred tax assets.</li> </ul>

## 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 and our appointment represents a total period of uninterrupted engagement of two years.

## **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 15.2.2023

Ernst & Young Oy  
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