

*Apetit*

**FINANCIAL  
REVIEW**

**2023**



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The financial statement presented in the annual report is voluntary and does not meet the requirements of Chapter 7 § 5 of the Securities Market Act. The financial statement in accordance with the technical regulation is published as a separate file.

# **BOARD OF DIRECTORS' REPORT**

## BOARD OF DIRECTORS' REPORT

Apetit is a Finnish food industry company that focuses on plant-based food products and is firmly rooted in Finnish primary production. Its product groups include frozen vegetables, frozen ready meals and vegetable oils and rapeseed expeller. The company is active in the Finnish and international food and oilseed markets.

The Group's businesses and reporting segments are Food Solutions and Oilseed Products. In addition to the two 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. Apetit Kasviöljy Oy is responsible for 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 175.1 (181.7) million. Operating profit was EUR 7.5 (3.5) million. The operating profit includes capitalisation of fixed costs arising from harvest-time production in the amount of EUR 0.6 (-0.3) million.

The share of the profit of the associated company Sucros was EUR 4.0 (0.5) million in January–December.

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

The profit before taxes was EUR 11.3 (3.8) million, and taxes on the profit for the

period came to EUR -1.5 (-0.7) million. Profit for the period came to 9.8 (3.2) million, and earnings per share amounted to EUR 1.56 (0.51)

#### 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 9.7 (28.4) million in January–December. The impact of the change in working capital was EUR -3.1 (18.5) million. The effect of seasonality on the change in working capital is presented under the heading Seasonality of operations. The figures from comparison year were mainly attributable to the divestment of the Grain Trade business.

The net cash flow from investing activities was EUR 6.4 (11.7) million. The cash flow from financing activities came to EUR -4.1 (-32.7) million, including EUR 0.0 (-29.1) million in net loan repayments and EUR 3.1 (-2.5) million in dividend payments.

At the end of the period, the Group's interest-bearing liabilities amounted to EUR 8.1 (2.1) million and liquid assets to EUR 14.0 (14.8) million. Net interest-bearing liabilities totalled EUR -5.9 (-12.7) million.

The consolidated balance sheet total stood at EUR 131.1 (117.3) million. At the end of the review period, equity totalled EUR 103.5 (96.0) million. The equity ratio was 78.9 (81.8) per cent, and gearing was -5.7 (-13.2) per cent. The Group's liquidity is managed by committed credit facilities, fixed loans and a commercial paper programme. At the end of the period, the available credit facilities amounted to EUR 29 (29) million. The total of commercial papers issued stood at EUR 0.0 (0.0) million.

## Overview Of Operating Segments

### FOOD SOLUTIONS

Net sales in the Food Solutions segment amounted to EUR 73.7 (64.2) million in January–December. Operating profit was EUR 5.8 (4.2) million.

Investment for the period totalled EUR 4.3 (4.3) million and was mainly associated with production efficiency and energy efficiency improvements in Säkylä and to the acquisition of new pea harvester.

### OILSEED PRODUCTS

Net sales in the Oilseed Products segment were EUR 102.4 (118.2) million in January–December. Operating profit was EUR 4.6 (1.5) million.

Investment for the period totalled EUR 1.7 (0.7) million and was mainly associated to the new bottling line and the product development of rapeseed-based vegetable protein.

### DISCONTINUED OPERATIONS

#### Grain Trade

Net sales in the Grain Trade segment were EUR 0.0 (67.2) million in January–December. Operating profit was EUR -0.1 (2.7) million.

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

#### 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 on sustainable value chain.

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

## Strategy

### STRATEGY PERIOD 2023–2025

Apetit Plc published its strategy for 2023–2025 in November 2020. Achieving growth from diverse plant-based food solutions and added-value products is at the heart of Apetit's strategy. As the cornerstone of Apetit's business, company continues to invest in cooperation with growers and in Finnish primary production.

Apetit's current strengths and competitive advantages have been identified in the strategy.

Apetit's operations are based in domestic raw materials and in plant-based and sustainable food solutions. Growing the cultivation area of domestic peas and oilseed plants and investing in added-value products and added value growth play a significant role in Apetit's strategy. Apetit also aims to increase the use of domestic plant-based proteins. The phenomena governing the operating environment support the company's strategy.

#### Strategic focus areas and key measures in 2023

##### Stronger together

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

Key measures in 2023:

- Research at the Räpi experimental farm continued to develop cultivation methods and the promotion of the cultivation of domestic pulses

- Use of shared resources and interfaces in continuing operations
- Successful launches of novelty products and investments in the development of people's perception of frozen food

### Diverse plant-based food products

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

Key measures in 2023:

- Decision to invest in a new bottling line at the Kantvik vegetable oil milling plant
- Establishment of sales organisation in Sweden to boost food exports
- Establishment of the RypsiRapsi-foorumi to increase domestic oilseed production

### More domestic plant proteins

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

Key measures in 2023:

- Progress in the BlackGrain production process
- Launch of a project to produce Finnish pea protein
- Increase in domestic frozen pea cultivation area and exports of pea

### Sustainable value chain

We promote sustainable primary production and food choices. We reduce the impact of

our operations on the climate and the environment. We make sure that our sourcing processes are transparent and sustainable. We ensure that social responsibility is realised throughout the value chain.

Key measures in 2023:

- Energy transition at Apetit's production facilities: reducing energy-related CO2 emissions by 68 per cent from 2019
- Increasing the share of domestic local fish to 19 per cent (2019: 11%)
- Increased use of recyclable packaging materials and introduction of PEFC-certified paperboard

### Financial objectives

EBIT in 2025 > EUR 9 million (2023: EUR 7.5 million)

Return on capital employed (ROCE %) > 8% (2023: 7.3%)

### Investment

The Group's investment in non-current assets came to EUR 7.5 (5.0) million and was divided as follows: investment in Food Solutions totalled EUR 4.3 (4.3) million, in Oilseed Products EUR 1.7 (0.7) million, in Grain Trade EUR 0.0 (0.0) million and in Group Functions EUR 1.5 (0.1) million.

### Research and development

Research and development costs of continuous operations were EUR 1.6 (1.4) million, or 0.9% (0.8%) of net sales. In addition, EUR 0.3 (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

strengthening cooperation networks that support operations.

Apetit improves its products and creating brand new products to provide easy, delicious plant-based products 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 and vegetable oils 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 participated 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.

Apetit has continued the development of the production process of BlackGrain and advanced the beginning of commercial scale production. In 2023, the development work focused on the production process.

In 2023, Apetit launched a project to produce Finnish pea protein. Opportunities for domestic production are examined for the entire value chain. More domestic plant proteins is one of the Apetit's strategic focus areas.

Apetit carries out cultivation research and development operations on its experimental farm in Köyliö, Säkylä. The objective of research operations is to secure the open

field 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 water management and promote carbon sequestration, for example. Research topics include optimised crop rotation and mechanical weed separation. In 2023, the operations of Räpi's experimental farm focused especially on the cultivation of pulses, such as peas, chickpeas, yellow peas and broad beans. Fall rape was also sown for the first time at Räpi's experimental farm.

In addition to in-house research and development activities, Apetit participates in selected research projects and development programmes coordinated by various partners. In 2023, the Räpi experimental farm had ongoing research projects to explore ways to improve soil fertility, especially from the point of view of vegetable cultivation. Research was carried out together with the Natural Resources Institute Finland and Pyhäjärvi Institute. The projects 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 continued on Räpi's fields. In 2023, the project's crop was swede. 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 pulses. For the fifth year, chickpeas were cultivated at the Räpi farm. Domestic pulses will also be tested in diverse ways in Apetit's product development. In the growing season of 2023, the Farmdroid field robot was also

tested on the Räpi experimental farm for sowing and raking spinach.

### **Seasonality of operations**

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

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

### **Risks, uncertainties and risk management**

The Board of Directors of Apetit Plc has confirmed the Group's risk management policy and principles.

The primary goals of Apetit Group are to improve the company's profitability and competitiveness and ensure the financial position of the company. The purpose of the company's risk management is to support

the achievement of these goals. Risk management is part of corporate governance. It is a systematic tool for the Board of Directors and operative management, enabling them to monitor and assess the achievement of the goals and the threats and opportunities that affect the company's operations.

Aim of Apetit Group's risk management is to assess risks in the operating environment in a predictive manner. Apetit Group classifies risks into strategic, operative and financial risks and risk events.

The aim of risk management is to recognise and assess risks systematically and manage them cost-efficiently by

- ensuring that all known risks to personnel, customers, products, reputation, assets, human capital and operations are addressed, always according to law, based on best available knowledge and with justifications, taking into account the current financial situation,
- meeting the expectations of stakeholders (owners, customers, personnel, suppliers and society),
- ensuring uninterrupted, continuous operations, and
- promoting the efficient utilisation of opportunities and profit potential.

The Board of Directors or the Audit Committee of Apetit Group monitors the Group's risk management process and ensures that it works efficiently and is comprehensive, approves the level of the risk management policy, risk bearing and risk tolerance, and re-assesses these at least annually.

Business units and Group Functions recognise and assess risks in their respective areas of responsibility. The leaders of business units and Group Functions plan and implement risk management and monitoring measures and report on risks in



their areas of responsibility, following the agreed instructions and timetables.

The main operational risks concern the availability of raw materials, the time lags between purchasing and use, and fluctuations in raw material prices. Price risk management is particularly important in Oilseed Products. The prices of oilseeds are determined in the world market. In 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 risks always, when insurance can be justified on financial or other grounds.

The assessment of Apetit's most significant risks also covers non-financial risks. A typical effect of the realisation of a non-financial risk would be a negative reputation effect. Apetit Group's Code of Conduct guides all operations in Group. Apetit requires that all of its employees and suppliers comply with the Code of Conduct. Climate related risks are discussed in more detail in the non-financial information section.

## ENVIRONMENTAL RISKS

Apetit's operational activities do not involve direct 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. Apetit has assessed the risks and opportunities related to its value chain caused by climate change in accordance with the TCFD framework. Climate-related risks are discussed in the non-financial information section.

## SOCIAL AND EMPLOYEE-RELATED RISKS

Safety at work is vitally important for Apetit and one of the central themes of the personnel strategy. 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.

Ensuring a competent and motivated workforce has also been identified among social and employee-related risks. Apetit's personnel strategy focuses on responsible leadership based on the company's values and corporate culture, ensuring the availability of labour by focusing on retention and attraction factors, improving employees' occupational well-being and ability to cope with the demands of work by using a wide range of work ability management methods, and the continuous development of strategic and critical competencies.

## 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. Apetit Group's ethical supplier requirements are based on the guidelines of the UN's Global Compact initiative.

In its sourcing responsibility guidelines, Apetit has defined the statements required from suppliers regarding the management and realisation of social and environmental responsibility.

## 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.

### **Non-financial information**

Responsible operations and a value chain that enables sustainable food choices are key competitive advantages for Apetit. 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. Apetit's business

model and value creation are described in more detail in its annual report.

Achieving growth from diverse plant-based food solutions and added-value products are at the heart of Apetit's strategy for 2023-2025. As the cornerstone of its business, the company will continue to invest in cooperation with growers and in Finnish primary production. The strategic focus areas include the development of sustainable Finnish primary production, domestic plant proteins and a sustainable value chain. The company's strategy is supported by the phenomena that drive changes in the operating environment. Climate action and sustainable alternatives are increasingly important factors in consumption decisions. This supports the demand for plant-based food products and the promotion of well-being as a food trend.

## 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. Corporate responsibility is managed by the corporate management as part of its normal operations.

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. In cooperation with its key stakeholders, Apetit implemented an extensive process to determine the material themes of its corporate responsibility.

Sustainable value chain is one of Apetit's strategic focus areas: We promote sustainable primary production and food choices. We reduce the impact of our

operations on the climate and the environment. We make sure that our sourcing processes are transparent and sustainable. We ensure that social responsibility is realised throughout the value chain.

Apetit seeks to understand the impact of its operations on people, society and the environment comprehensively. The company has identified the environmental impacts of our value chain and works to reduce them and to promote the sustainable use of natural resources in the subject areas identified as material. Apetit collects systematically key figures and information from the most material aspects of its corporate responsibility to continuously develop sustainable operations.

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

## PROGRESS OF CORPORATE RESPONSIBILITY WORK

In its corporate responsibility program, Apetit has set goals for the progress of its corporate responsibility work. The corporate responsibility programme is based on sustainable food choices: Through its operations, Apetit wants to contribute to a food supply chain that supports the well-being of people and the environment.

### **Cultivation development and contract farming**

Apetit carries out cultivation research and development operations on its experimental farm 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.

In 2023, Apetit's agricultural research including cultivation and variety tests at Räpi experimental farm continues, for example, with studies on domestic pulses such as chickpeas. Apetit was the driving force in the establishment of the new oilseed plant production development group, RypsiRapsi-foorumi.

### **The climate impacts of operations**

Apetit has reduced the Group's Scope 1&2 emissions by nearly 70 per cent from 2019. The emissions reductions has been achieved by investing in renewable energy. In 2023, the new energy solution was deployed at Apetit's Säkylä frozen foods plant. New energy solution is based on heat recovery and it makes possible to utilize biogas at the plant's production processes.

### **Products and packaging solutions**

The novelty products of Apetit for 2023 included, among other things, a new frozen vegetable mix, plant-based snack products and soup ingredients that make everyday life easier. According to Apetit's product policy, the key elements of novelty products are Finnish origin, plant-based ingredients and nutritional value.

The amount of recyclable plastic used in Apetit's product packaging increased further when recyclable packaging was introduced for frozen potato and oven and grill products, among others, in 2023.

### **Social impacts**

In the personnel survey conducted in March 2023, the net recommendation index of eNPS meter was 7 (2022: 5). According to the results, the Group's strengths include cooperation with supervisor, creating a good atmosphere, sufficient resources for work and commitment to work at Apetit. The occupational health and safety system of the Säkylä frozen foods plant was audited in autumn 2022 and granted an ISO 45001 occupational safety certificate.

## Environment and climate

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. In its Corporate responsibility program, Apetit has set goals related to environmental impact, such as the goal of reducing its own CO<sub>2</sub> emissions by 75 percent from 2019 to 2025. The Group's environmental management system complies with the ISO 14001 standard in the Food Solutions business.

The impacts of Apetit's operations and value chain 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. The environmental impacts of the operations generated by Apetit's entire value chain are related to all natural capital dependencies.

The goal is efficient and safe production that is in harmony with the environment. The direct 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 2023, Apetit's energy consumption was 0.5 (0.4) MWh per tonne produced.

As part of reducing its climate impacts and increasing its use of renewable energy, Apetit has commissioned the bioenergy plant built in conjunction with its vegetable oil milling plant in Kirkkonummi and deployed new energy solution to its Säkylä frozen products plant. The new energy solution is based on heat recovery and makes it possible to utilize steam produced by bioenergy.

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 nearly 70 per cent from 2019. Of all the energy used at Apetit's production plants, 74 per cent were from renewable sources in 2023.

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 accidents with significant environmental impacts at the production facilities. An ammonia leak occurred at the Säkylä production facility, but no danger was caused to people or environment in the nearby area.

Related with the operations of the Kantvik vegetable oil milling plant, there have been several observations of odour nuisances.

Apetit deployed a catalytic burner to the oil milling plant to eliminate odours in 2023.

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 (1.4) million, or 0.8 (0.8) per cent of net sales.

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

### CLIMATE-RELATED RISKS AND OPPORTUNITIES

Apetit has 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).

The most significant climate-related risks in both of Apetit's businesses are harvest risks related to the procurement of raw material. Extreme weather phenomena caused by climate change can have a significant impact on annual harvest levels. Apetit manages this risk particularly by developing cultivation methods and conducting tests on different plant varieties. The financial impacts of changes in the harvest levels may be significant in the short term. In the long term, climate change may also lead to growing disease pressures due to changes in the cultivation conditions, for example.

The other potential climate-related risks are associated with regulations governing emissions and use of materials, for example. Apetit complies with the current national and EU-level legislation. The company also monitors and evaluates future regulations and their impacts on the Group's operations. Apetit Group has identified the reduction of its climate impacts as one of the material aspects of its corporate responsibility.

Apetit's most significant climate-related opportunities are related to changes in consumer behaviour, with eating habits

shifting towards more plant-based diets and climate-friendly consumption. Apetit's sustainable food solutions and plant-based food products support planetary health diets very well. Apetit is also developing the use of diverse plant proteins in its products.

### PERSONNEL

Apetit's personnel strategy focuses on responsible leadership based on the company's values and corporate culture, ensuring the availability of labour by focusing on retention and attraction factors, improving employees' occupational well-being and ability to cope with the demands of work by using a wide range of work ability management methods, and the continuous development of strategic and critical competencies.

At Apetit, occupational safety culture is developed in line with the principle of continuous improvement. The key measures taken in 2023 to improve occupational safety were systematic safety observation practices, anticipatory investigations for incidents and near miss situations and occupational safety training for personnel.

In 2023, there were 14 (17) occupational accidents that led to at least a one-day absence. The accident frequency rate was 20 (27). In 2023, an ammonia leak occurred at the Säkylä production facility due to exceptional equipment failure and two people were hospitalised. Commuting accidents are also included in occupational accidents. Apetit aims for zero accidents.

Apetit seeks to reduce sickness absences. In 2023, the sickness absence rate was 4.8 (5.5) 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. In the personnel survey conducted in March 2023, the net recommendation index of eNPS meter was 7 (2022: 5). The next survey will be conducted in March 2024.

In January–December 2023, the continuing operations had 298 (288) employees in full-time equivalents. Apetit Group had 338 (329) 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 of continued operations in 2023 amounted to EUR 17.1 (14.5) million.

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

## QUALITY AND PRODUCT SAFETY

Product quality and product safety are key factors in Apetit's operations. 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. The Säkylä and Kantvik plants also have their own laboratories for ensuring product safety.

The most significant risks related to product safety include foreign objects, risks related to allergen control and the accuracy of the labelling on product packaging. Apetit carried out 1 (1) product recalls in 2023.

## 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. One report was submitted via the whistleblowing channel in 2023, related to employment matters. The matter has been handled within the company.

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 2023.

## CORPORATE GOVERNANCE

### Corporate Governance Statement and Remuneration Report

Apetit's Corporate Governance Statement and Remuneration Report will be published in conjunction with the publication of the Annual Report during the week 10. The statement and the report will be available on Apetit's website after their publication.

### Annual General Meeting 2023

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

### Decisions of the Annual General Meeting 2023

#### *Dividend distribution*

The AGM decided according to the Board of Director's proposal that a dividend of EUR 0.50 per share be paid for the financial year 2022. The dividend was paid on 25 April 2023. No dividend will be paid on shares held by the company.

#### *Remuneration Report for Governing Bodies*

The Annual General Meeting decided to adopt the Remuneration Report for 2022 for the governing bodies. According to the Companies Act, the decision is advisory. The Remuneration Report is available on the company's website at [apetit.fi/en/corporate-governance/remuneration/](https://www.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*

The Annual General Meeting voted of the number of the members of the Supervisory Board. The Annual General Meeting

decided that the Supervisory Board will have 16 members elected by the Annual General Meeting.

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

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

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

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

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

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

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

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

### *Organisation of the Supervisory Board and election of the Board of Directors*

At its meeting on 25 April 2023, Apetit Plc's Supervisory Board elected Harri Eela as its Chairman and Maisa Mikola as the Deputy Chairman.

The Supervisory Board decided to elect six members to Apetit Plc's Board of Directors. Lasse Aho, Niko Simula, Annikka Hurme, Antti Korpinemi and Kati Sulin were re-elected and Tero Hemmilä was elected as a new member as the members of the Board of Directors. Lasse Aho was appointed as the Chairman and Niko Simula as the Deputy Chairman of the Board of Directors.

It was decided that the Board members will be paid an annual remuneration of EUR 23,400 and that the Chairman and Deputy Chairman will receive an annual remuneration of EUR 45,000 and EUR 27,600, respectively. The remuneration will be paid in cash monthly. It was also decided that the Chairman and members of the Board of Directors will be paid a meeting

allowance of EUR 600 and EUR 400, respectively.

## CHANGES IN THE BOARD OF DIRECTORS

At its meeting on 25 April 2023, Apetit Plc's Supervisory Board elected Tero Hemmilä as a new member of the Board.

## 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.

### TREASURY SHARES

At the end of the review period, the company held a total of 81,775 treasury shares. These treasury shares represent 1.3 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 2023.

### SHARE PRICE AND TRADING

The number of Apetit Plc shares traded on the stock exchange during the review period was 550,902 (550,249), representing 8.7 (7.9) per cent of the total number of shares. The highest share price quoted was EUR 13.50 (13.90) and the lowest was EUR 10.10 (9.62). The average price of shares



traded was EUR 12.35 (10.94). The share turnover for the period was EUR 6.8 (5.5) million. At the end of the review period, the market capitalisation was EUR 84.1 (64.4) 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.

### Material events of the accounting period

Foison Oy was merged to the parent company Apetit Plc on 31 March 2023. Apetit Plc owned the whole share capital of Foison Oy. Foison Oy had no operations, and the merger procedure was necessary to clarify the organizational structure.

### Short-term risks

The most significant short-term risks for Apetit Group are related to the management of raw material price changes, the availability of raw materials, the harvest quality and quantity of oilseed plants and field vegetables, the functioning of the financing markets, the solvency of customers, 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

Group's operating profit is estimated to stay at the level of the comparison year (EUR 7.5 million in 2023). The operating profit from Food Solutions is estimated to further improve. In Oilseed Products, the operating

profit is expected to decline due to outlook of market prices.

### 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 40-60 per cent of the profit for the financial year in dividends.

The parent company's distributable funds totalled EUR 48,765,742.28 on 31 December 2023, after adding the profit for the financial year, EUR 2,077,630.40. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.75 per share be paid. The dividend corresponding to this proposal is EUR 4,738,182.00 for all the company shares on the balance sheet date and EUR 4,676,850.75 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.

# **FINANCIAL REVIEW**

## **2023**

## Consolidated Statement of Comprehensive Income

EUR million	Note	1-12/2023	1-12/2022
<b>Continuing Operations</b>			
<b>NET SALES</b>	(2)	<b>175.5</b>	181.7
Other operating income	(4)	1.2	1.2
Material and services	(7)	-121.4	-137.3
Employee benefits expense	(5)	-20.9	-17.9
Depreciation and amortisation	(2.8)	-5.7	-5.7
Impairment	(2.8)	-0.0	-0.0
Other operating expenses	(4)	-21.1	-18.5
<b>OPERATING PROFIT</b>	(2)	<b>7.5</b>	3.5
Financial income	(9)	0.5	0.6
Financial expenses	(9)	-0.8	-0.8
Share of profit/loss accounted for using the equity method	(14)	4.0	0.5
<b>PROFIT/LOSS BEFORE TAX</b>		<b>11.3</b>	3.8
Tax on income from operations	(10)	-1.5	-0.7
<b>Profit/loss from continuing operations</b>		<b>9.8</b>	3.2
<b>Discontinued Operations</b>			
<b>Profit/loss from discontinued operations</b>	(3)	<b>-0.0</b>	2.0
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>9.7</b>	5.2

Earnings per share calculated on profit attributable to equity holders of the parent

Earnings per share, basic, Continuing Operations		1.56	0.51
Earnings per share, basic, Discontinued Operations		-0.00	0.33
<b>Earnings per share, basic</b>	(12)	<b>1.56</b>	<b>0.83</b>
Earnings per share, diluted, Continuing Operations		1.56	0.51
Earnings per share, diluted, Discontinued Operations		-0.00	0.33
<b>Earnings per share, diluted</b>	(12)	<b>1.55</b>	<b>0.83</b>
<b>Profit attributable to:</b>			
Owners of the parent company		9.7	5.2
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations		0.1	-0.0
Cash flow hedges	(25)	0.9	-0.0
<b>Items that may be reclassified subsequently to profit or loss</b>		<b>1.0</b>	<b>-0.0</b>
<b>Other comprehensive income for the year net of tax</b>		<b>1.0</b>	<b>-0.0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>10.7</b>	<b>5.1</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent company		10.7	5.1

# Consolidated Statement of Financial Position

EUR million	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	(13)	2.9	1.2
Goodwill	(13)	0.4	0.4
Property, plant, equipment	(13)	38.8	37.6
Right-of-use assets	(13)	8.0	2.1
Shares in associated companies	(14)	22.8	20.1
Other non-current financial assets	(15)	0.5	0.3
Non-current trade and other receivables	(16)	-	0.0
Deferred tax assets	(11)	1.5	3.2
<b>NON-CURRENT ASSETS</b>		<b>74.9</b>	<b>64.9</b>
<b>CURRENT ASSETS</b>			
Inventories	(18)	34.8	30.1
Trade receivables and other receivables	(17)	7.4	7.5
Cash and cash equivalents	(19)	14.0	14.8
<b>CURRENT ASSETS</b>		<b>56.2</b>	<b>52.4</b>
<b>ASSETS</b>		<b>131.1</b>	<b>117.3</b>

EUR million	Note	31.12.2023	31.12.2022
<b>EQUITY AND LIABILITIES</b>			
Share capital	(20)	12.6	12.6
Share premium	(20)	23.4	23.4
Unrestricted equity reserve		0.2	0.1
Treasury shares		-1.2	-1.1
Hedging reserve		-0.1	-1.1
Other reserves		7.2	7.2
Translation differences		0.0	-0.0
Retained earnings without profit/loss for the period		51.6	49.7
Profit/loss for the period		9.7	5.2
<b>Equity attributable to owners of the parent company</b>		<b>103.5</b>	<b>96.0</b>
<b>EQUITY</b>		<b>103.5</b>	<b>96.0</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	(11)	0.0	0.1
Non-current liabilities, interest-bearing	(23)	6.5	1.2
Liabilities from defined benefit plan	(21)	0.2	0.2
<b>NON-CURRENT LIABILITIES</b>		<b>6.7</b>	<b>1.5</b>
<b>CURRENT LIABILITIES</b>			
Current interest-bearing liabilities	(23)	1.6	0.9
Trade Payables and Other Liabilities	(24)	19.3	18.9
<b>CURRENT LIABILITIES</b>		<b>20.9</b>	<b>19.8</b>
<b>Liabilities</b>	(2)	<b>27.6</b>	<b>21.3</b>
<b>EQUITY AND LIABILITIES</b>		<b>131.1</b>	<b>117.3</b>

# Consolidated Statement of Cash Flows

EUR million	Note	1-12/2023	1-12/2022
<b>Cash flows from operating activities</b>			
PROFIT/LOSS FOR THE PERIOD		9.7	5.2
Adjustments to cash flow from operating activities	*	3.4	5.3
Working capital changes		-3.1	18.5
Interest paid		-0.6	-0.3
Interest received		0.3	0.0
Other financial items		-0.1	-0.2
Income taxes paid		-0.0	-0.1
<b>Net cash from operating activities</b>		<b>9.7</b>	<b>28.4</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible and intangible assets		-7.5	-5.0
Proceeds from sale of tangible and intangible assets		0.0	-0.0
Purchase of investments		-0.2	-
Proceeds from disposal of discontinued operations		0.0	16.4
Dividends received		1.3	0.3
<b>Net cash used in investing activities</b>		<b>-6.4</b>	<b>11.7</b>
<b>Cash flows from financing activities</b>			
Purchase of treasury shares		-0.2	-
Proceeds from sale of treasury shares		0.1	-
Addition / deduction of current borrowings	(22)	-0.0	-29.1
Payment of lease liabilities	(22)	-1.0	-1.1
Dividends paid		-3.1	-2.5
Addition / deduction of cash equivalents		0.1	-
<b>Net cash used in financing activities</b>		<b>-4.1</b>	<b>-32.7</b>
<b>Net change in cash and cash equivalents</b>		<b>-0.8</b>	<b>7.3</b>
Cash and cash equivalents at the beginning of the period	(19)	14.8	7.5
Cash and cash equivalents at the end of the period	(19)	14.0	14.8
<b>* Adjustments to cash flow from operating activities</b>			
Depreciation, amortisation and impairment		5.7	6.2
Gains and losses of disposals of fixed assets and other non-current assets		0.0	-0.0
Share of profit/loss accounted for using the equity method	(14)	-4.0	-0.5
Other non-cash items		-0.1	0.4
Financial income and expenses		0.4	0.4
Tax on income from operations	(10)	1.4	1.1
Other adjustments		-0.0	-2.3
<b>Total</b>		<b>3.4</b>	<b>5.3</b>

## 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
<b>EQUITY 1.1.2023</b>	12.6	23.4	0.1	-1.1	-1.1	7.2	-0.0	54.9	96.0
Profit/loss for the period	-	-	-	-	-	-	-	9.7	9.7
Cash flow hedges	-	-	-	-	0.9	-	-	-	0.9
Translation differences	0.0	-	-	-	-	-	0.0	0.0	0.1
Other comprehensive income for the year net of tax	0.0	-	-	-	0.9	-	0.0	0.0	1.0
<b>Comprehensive income</b>	0.0	-	-	-	0.9	-	0.0	9.8	10.7
Dividend distribution	-	-	-	-	-	-	-	-3.1	-3.1
Share-based payments	-	-	0.1	-0.1	-	-	-	0.1	0.2
Other changes	-0.0	-	-	-	-0.0	-	-	-0.2	-0.2
<b>Changes in equity total</b>	0.0	-	0.1	-0.1	0.9	-	0.0	6.5	7.5
<b>EQUITY 31.12.2023</b>	12.6	23.4	0.2	-1.2	-0.1	7.2	0.0	61.4	103.5

EUR million	Share capital	Share premium	Unrestricted equity reserve	Treasury shares	Hedging reserve	Other reserves	Translation differences	Retained earnings	Total equity
<b>EQUITY 1.1.2022</b>	12.6	23.4	0.1	-1.2	-1.0	7.2	-0.0	52.1	93.3
Profit/loss for the period	-	-	-	-	-	-	-	5.2	5.2
Cash flow hedges	-	-	-	-	-0.0	-	-	-	-0.0
Translation differences	-0.0	-	-	-	-	-	-0.0	-0.0	-0.0
Other comprehensive income for the year net of tax	-0.0	-	-	-	-0.0	-	-0.0	-0.0	-0.0
<b>Comprehensive income</b>	-0.0	-	-	-	-0.0	-	-0.0	5.2	5.1
Dividend distribution	-	-	-	-	-	-	-	-2.5	-2.5
Share-based payments	-	-	-	0.0	-	-	-	0.1	0.1
Other changes	0.0	-	-	-	-0.0	-	-	-0.0	-0.0
<b>Changes in equity total</b>	-0.0	-	-	0.0	-0.1	-	-0.0	2.7	2.7
<b>EQUITY 31.12.2022</b>	12.6	23.4	0.1	-1.1	-1.1	7.2	-0.0	54.9	96.0



# Notes to the consolidated financial statement

## Note 1. Accounting principles

### Company details

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

On 14 February 2024, 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 and Oilseed Products. In addition, Apetit reports Group Functions, consisting of the expenses related to Group management, strategic projects and listing on the stock exchange, that are not allocated to the business segments.

Grain Trade is reported as a discontinued operation starting from the Q1/2022 Business Review. The divestment of the Estonian grain trade business to Scandagra was completed on 10 March 2022, and the divestment of the Lithuanian business was completed on 31 March 2022. The divestment of the Finnish operations of the Grain Trade business to Berner Ltd was completed on 31 May 2022.

### Operating segments

### Products and services

#### Food Solutions

Apetit Ruoka Oy

Frozen foods

#### Oilseeds Products

Apetit Kasviöljy Oy

Apetit Kantvik Oy\*\*\*

Trade in vegetable oils and protein feed

Manufacture of vegetable oils and protein feed

#### Group Functions

Apetit Oyj

Foison Oy\*\*\*

Lännen Sokeri Oy

Group management, strategic projects and listing on the stock exchange

Holding in Apetit Kasviöljy Oy

Non-operative company

#### Grains and Oilseeds Business

Apetit Kasviöljy Oy \*

Avena Nordic Grain OÜ, Estonia \*\*

OOO Avena-Ukraine, Ukraine \*\*

Trade in grains, oil seeds and animal feedstuff

Trade in grains, oil seeds and animal feedstuff

Trade in grains, oil seeds and animal feedstuff

\* Activities ended

\*\* Company dissolved

\*\*\* Merged during 2023

### Associated companies

Sucros group

Foodwest Oy

Manufacture, marketing and sales of sugar

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.

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

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

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 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 recognised 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 assets	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 such option is to be exercised. 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. 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 recognised at fair 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 or 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 and disclosures are marked with the XBRL taxonomy. The ESEF format financial statements have been reviewed by the auditor .

### 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 and Oilseed Products. In addition, Apetit reports Group Functions, consisting of the expenses related to Group management, strategic projects and listing on the stock exchange, that are not allocated to the business segments.

Grain Trade is reported as a discontinued operation starting from the Q1/2022 Business Review. The divestment of the Estonian grain trade business to Scandagra was completed on 10 March 2022, and the divestment of the Lithuanian business was completed on 31 March 2022. The divestment of the Finnish operations of the Grain Trade business to Berner Ltd was completed on 31 May 2022. 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.

1-12/2023

EUR million	Food Solutions	Oilseed Products	Group Functions	Continuing Operations	Discontinued Operations	Apetit Group
Segment net sales	73.7	102.4	-	176.1	-	176.1
Intra-group net sales	-0.0	-0.6	-	-0.6	-	-0.6
Net sales	73.7	101.8	-	175.5	-	175.5
<b>OPERATING PROFIT</b>	5.8	4.6	-2.9	7.5	-0.1	7.5
Assets	56.4	33.8	-	90.2	-	90.2
Unallocated						40.9
Total assets	56.4	33.8	-	90.2	-	131.1
Liabilities	20.8	5.8	-	26.6	-	26.6
Unallocated						1.0
Total liabilities	20.8	5.8	-	26.6	-	27.6
Gross investments in non-current assets	4.3	1.7	1.5	7.5	-	7.5
Business acquisitions and other investments	0.2	-	-	0.2	-	0.2
Depreciation and amortisation	3.7	1.6	0.4	5.7	-	5.7
Impairment	-	0.0	-	0.0	-	0.0
Personnel, FTE	236	50	13	298	-	298

1-12/2022

EUR million	Food Solutions	Oilseed Products	Group Functions	Continuing Operations	Discontinued Operations	Apetit Group
Segment net sales	64.2	118.2	-	182.3	67.2	249.5
Intra-group net sales	-0.0	-0.6	-	-0.6	-17.0	-17.7
Net sales	64.2	117.5	-	181.7	50.1	231.8
<b>OPERATING PROFIT</b>	4.2	1.5	-2.2	3.5	2.7	6.2
Assets	42.2	34.2	-	76.3	0.1	76.4
Unallocated						40.9
Total assets	42.2	34.2	-	76.3	0.1	117.3
Liabilities	12.4	7.1	-	19.5	0.8	20.2
Unallocated						1.1
Total liabilities	12.4	7.1	-	19.5	0.8	21.3
Gross investments in non-current assets	4.3	0.7	0.1	5.0	-	5.0
Business acquisitions and other investments	-	-	0.0	0.0	-	0.0
Depreciation and amortisation	3.4	1.6	0.7	5.7	0.4	6.1
Impairment	0.0	0.0	-	0.0	0.1	0.1
Personnel, FTE	230	47	11	288	16	303

### Geographical information

EUR million	Net sales		Non-current assets	
	2023	2022	2023	2022
Finland	143.0	189.4	74.9	64.9
Norway	19.5	21.6	-	-
Germany	-	5.0	-	-
Sweden	6.7	6.6	-	-
Other countries	6.2	9.2	-	-
Total	175.5	231.8	74.9	64.9

The group has one customer whose turnover exceeded 10% of the entire group's turnover. The turnover of this customer was 27.4 million euros (15.6%) and it was accumulated from the Food Solutions and Oilseed Products segments.

### Note 3. Discontinued operations and non-current assets held for sale

#### Discontinued operations

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

#### Result from discontinued operations

EUR million	1-12/2023	1-12/2022
REVENUE	-	67.2
Other income and expense items	-0.1	-64.5
OPERATING PROFIT	-0.1	2.7
Financial income and expense	-0.0	-0.2
PROFIT/LOSS BEFORE TAX	-0.1	2.5
Tax on income from operations	0.1	-0.4
PROFIT/LOSS FOR THE PERIOD	-0.0	2.0

#### Cash flow

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

#### Consideration received

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

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

#### Carrying amount of net assets sold

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

## Note 4. Other operating income and expenses

EUR million	1-12/2023	1-12/2022
<b>Other operating income</b>		
Government subsidies	0.1	0.1
Gain on disposal of non-current assets, tangibles	0.0	-
Rental income	0.2	0.2
Other operating income	0.9	0.9
<b>Total</b>	<b>1.2</b>	<b>1.2</b>
<b>Other operating expenses</b>		
Rents and leases	1.6	1.6
Administrative expenses	1.2	1.2
IT and communication expenses	1.7	1.5
Sales and marketing expenses	2.7	2.3
Maintenance expenses	5.1	4.4
Other selling expenses	4.5	4.2
Other items	4.4	3.2
<b>Total</b>	<b>21.1</b>	<b>18.5</b>

### Audit fees paid by the Group to its independent auditor

EUR million	1-12/2023	1-12/2022
Regular statutory audit services	0.2	0.1
Other statutory audit services	0.0	0.0
<b>Total</b>	<b>0.2</b>	<b>0.1</b>

## Note 5. Employee benefits expense

EUR million	1-12/2023	1-12/2022
Salaries and fees	17.1	14.5
Pension expenses	3.0	2.6
Other employee benefit	0.9	0.8
<b>Total</b>	<b>20.9</b>	<b>17.9</b>

## Note 6. R&D expenses

R & D expenses of continuous operations amounted to EUR 1.6 (1.4) million, representing 0.9% (0.8%) of the net sales. In addition, a total of EUR 0.3 (0.2) million worth of development costs have been capitalised in the balance sheet.

## Note 7. Materials and services

EUR million	1-12/2023	1-12/2022
Purchases during the period	122.1	130.4
Change in stocks	-4.7	3.5
External services	4.0	3.4
<b>Total</b>	<b>121.4</b>	<b>137.3</b>

## Note 8. Depreciation, amortisation and impairment

EUR million	1-12/2023	1-12/2022
<b>Depreciation</b>		
Intangible assets	0.3	0.4
Buildings	1.4	1.7
Machinery and equipment	2.9	2.7
Right-of-use assets	1.1	0.8
Other tangible assets	0.0	0.0
<b>Total</b>	<b>5.7</b>	<b>5.7</b>
<b>Impairment</b>		
Tangible assets	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>

## Note 9. Financing income and expenses

EUR million	1-12/2023	1-12/2022
<b>Finance income</b>		
Interest income	0.3	0.5
Foreign exchange gain	0.0	0.0
Other financial income	0.2	0.1
<b>Total</b>	<b>0.5</b>	<b>0.6</b>

EUR million	1-12/2023	1-12/2022
<b>Finance expense</b>		
Interest on borrowings from others	0.5	0.4
Foreign exchange loss	0.0	0.0
Other financial expenses	0.3	0.3
<b>Total</b>	<b>0.8</b>	<b>0.8</b>

## Note 10. Income taxes

EUR million	1-12/2023	1-12/2022
<b>Tax on income from operations</b>		
Tax on income from operations	-0.0	-
Tax for previous accounting periods	-	0.0
Change in deferred tax asset	-0.9	-0.4
Change in deferred tax liability	-0.6	-0.2
<b>Total</b>	<b>-1.5</b>	<b>-0.7</b>

<b>Tax calculation</b>		
Accounting profit before taxes	11.3	3.8
Tax at the domestic rate	-2.3	-0.8
Tax for previous accounting periods	-	0.0
Effect of associated company results	0.8	0.1
Other items	-0.0	0.0
<b>Taxes in income statement</b>	<b>-1.5</b>	<b>-0.7</b>
<b>Income tax expense is attributable to</b>		
Continuing operations	-1.5	-0.7
Discontinued operations	0.1	-0.4
<b>Total</b>	<b>-1.4</b>	<b>-1.1</b>



## Note 11. Deferred tax assets and liabilities

Reconciliation of deferred tax assets and liabilities to balance sheet

EUR million	1.1.2023	Recognised in Income statement	Recognised in other comprehensive income	Recognised directly in equity	31.12.2023
<b>Deferred tax assets</b>					
Carry forward of unused tax losses	3.3	-0.9	-	-	2.4
Deferred depreciation	0.5	-0.0	-	-	0.5
Intangible and tangible assets	0.0	0.0	-	-	0.0
Derivative instruments	0.2	-	-0.2	-	-
Other items	0.2	-0.0	-	-	0.2
<b>Total deferred tax assets</b>	<b>4.2</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-</b>	<b>3.1</b>
Offset against deferred tax liabilities	-1.0	-	-	-	-1.6
<b>Net deferred tax assets</b>	<b>3.2</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-</b>	<b>1.5</b>
<b>Deferred tax liabilities</b>					
Accumulated depreciation difference	0.1	-0.4	-	-	-0.3
Inventories	-0.7	-0.1	-	-	-0.8
Intangible and tangible assets	-0.4	-	-	-	-0.4
Derivative instruments	-	-	-0.0	-	-0.0
Other items	-0.1	0.1	-	-	-0.0
<b>Total deferred tax liabilities</b>	<b>-1.1</b>	<b>-0.5</b>	<b>-0.0</b>	<b>-</b>	<b>-1.6</b>
Offset against deferred tax assets	1.0	-	-	-	1.6
<b>Net deferred tax liabilities</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-0.0</b>	<b>-</b>	<b>0.0</b>

Apetit has not unrecognised deferred tax assets related to taxable losses. The taxable losses will expire in 2025 - 2032. 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.

EUR million	1.1.2022	Recognised in income statement	Recognised in other comprehensive income	Recognised directly in equity	31.12.2022
<b>Deferred tax assets</b>					
Carry forward of unused tax losses	4.4	-1.0	-	-	3.3
Deferred depreciation	0.5	0.0	-	-	0.5
Intangible and tangible assets	0.0	-0.0	-	-	0.0
Derivative instruments	0.2	-	-0.0	-	0.2
Other items	0.2	-0.0	-	-	0.2
<b>Total deferred tax assets</b>	<b>5.2</b>	<b>-1.0</b>	<b>-0.0</b>	<b>-</b>	<b>4.2</b>
Offset against deferred tax liabilities	-1.0	-	-	-	-1.0
<b>Net deferred tax assets</b>	<b>4.2</b>	<b>-1.0</b>	<b>-0.0</b>	<b>-</b>	<b>3.2</b>
<b>Deferred tax liabilities</b>					
Accumulated depreciation difference	0.2	-0.1	-	-	0.1
Inventories	-0.8	0.1	-	-	-0.7
Intangible and tangible assets	-0.4	-	-	-	-0.4
Derivative instruments	-0.0	-	0.0	-	-
Other items	-0.1	0.0	-	-	-0.1
<b>Total deferred tax liabilities</b>	<b>-1.2</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-1.1</b>
Offset against deferred tax assets	1.0	-	-	-	1.0
<b>Net deferred tax liabilities</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-0.1</b>

## 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	1-12/2023	1-12/2022
Result attributable to the shareholders of the parent company, continuing operations	9.8	3.2
Result attributable to the shareholders of the parent company, discontinued operations	-0.0	2.0
Result attributable to the shareholders of the parent company, Group	9.7	5.2
Weighted average number of outstanding shares, basic (pcs)	6,250,366	6,239,744
Weighted average number of outstanding shares, diluted (pcs)	6,268,877	6,244,744
Basic earnings per share, continuing operations (EUR/share)	1.56	0.51
Basic earnings per share, discontinued operations (EUR/share)	-0.00	0.33
Basic earnings per share, Group (EUR/share)	1.56	0.83
Diluted earnings per share, continuing operations (EUR/share)	1.56	0.51
Diluted earnings per share, discontinued operations (EUR/share)	-0.00	0.33
Diluted earnings per share, Group (EUR/share)	1.55	0.83

## 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	1-12/2023	1-12/2022
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 8.1%. 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 8.2%. 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

EUR million	Development costs	Other intangible assets	Advance payments for intangible assets	Goodwill	Total
<b>Acquisition cost 1.1.2023</b>	1.4	11.2	0.0	0.4	12.9
Additions	0.3	0.1	1.5	-	2.0
Reclassifications	-	0.1	0.0	-	0.1
<b>Acquisition cost 31.12.2023</b>	1.7	11.4	1.5	0.4	14.9
<b>Cumulative amortisation and impairment 1.1.2023</b>	-0.5	-10.9	-	-	-11.3
Cumulative amortisation on disposals and reclassifications	-	-0.1	-	-	-0.1
Amortisation	-0.1	-0.2	-	-	-0.3
<b>Cumulative amortisation and impairment 31.12.2023</b>	-0.6	-11.1	-	-	-11.7
Carrying amount 1.1.2023	0.9	0.3	0.0	0.4	1.6
<b>Carrying amount 31.12.2023</b>	1.1	0.3	1.5	0.4	3.3

EUR million	Development costs	Other intangible assets	Advance payments for intangible assets	Goodwill	Total
<b>Acquisition cost 1.1.2022</b>	1.2	12.0	0.3	0.4	13.8
Additions	0.2	0.1	-0.0	-	0.3
Disposals	-	-0.8	-	-	-0.8
Reclassifications	-	-0.1	-0.3	-	-0.3
<b>Acquisition cost 31.12.2022</b>	1.4	11.2	-	0.4	12.9
<b>Cumulative amortisation and impairment 1.1.2022</b>	-0.3	-11.3	-	-	-11.6
Cumulative amortisation on disposals and reclassifications	-	0.7	-	-	0.7
Amortisation	-0.1	-0.3	-	-	-0.5
<b>Cumulative amortisation and impairment 31.12.2022</b>	-0.5	-10.9	-	-	-11.3
Carrying amount 1.1.2022	0.8	0.7	0.3	0.4	2.2
<b>Carrying amount 31.12.2022</b>	0.9	0.3	-	0.4	1.6

## Tangible assets

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
<b>Acquisition cost 1.1.2023</b>	3.0	-	41.4	5.8	54.9	0.6	0.4	0.4	106.5
Additions	-	-	0.2	0.5	3.3	6.5	-	2.1	12.6
Disposals	-0.0	-	-	-	-0.2	-	-	-0.0	-0.2
Reclassifications	-	-	-0.0	-	0.7	-	0.0	-0.4	0.2
<b>Acquisition cost 31.12.2023</b>	3.0	-	41.5	6.2	58.7	7.2	0.4	2.1	119.1
<b>Cumulative amortisation and impairment 1.1.2023</b>	-0.2	-	-26.4	-3.9	-35.7	-0.4	-0.2	-	-66.8
Cumulative amortisation on disposals and reclassifications	-	-	0.0	-	-0.1	-	0.0	-	-0.1
Amortisation	-	-	-1.4	-0.8	-2.9	-0.2	-0.0	-	-5.4
<b>Cumulative amortisation and impairment 31.12.2023</b>	-0.2	-	-27.8	-4.7	-38.6	-0.6	-0.2	-	-72.3
Carrying amount 1.1.2023	2.8	-	15.0	1.9	19.2	0.2	0.2	0.4	39.7
<b>Carrying amount 31.12.2023</b>	2.8	-	13.7	1.5	20.0	6.6	0.2	2.1	46.9

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
<b>Acquisition cost 1.1.2022</b>	<b>3.0</b>	<b>0.3</b>	<b>41.2</b>	<b>7.9</b>	<b>52.3</b>	<b>0.7</b>	<b>0.5</b>	<b>0.8</b>	<b>106.7</b>
Additions	-	-	1.9	0.8	2.6	0.2	-	0.4	5.8
Disposals	-	-0.3	-1.8	-2.9	-0.8	-0.2	-0.1	-	-6.1
Reclassifications	-	-	0.0	-	0.8	-	-	-0.7	0.1
<b>Acquisition cost 31.12.2022</b>	<b>3.0</b>	<b>-</b>	<b>41.4</b>	<b>5.8</b>	<b>54.9</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>106.5</b>
<b>Cumulative amortisation and impairment 1.1.2022</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-25.3</b>	<b>-5.1</b>	<b>-33.8</b>	<b>-0.5</b>	<b>-0.2</b>	<b>-</b>	<b>-65.4</b>
Cumulative amortisation on disposals and reclassifications	-	0.2	0.6	2.3	0.9	0.1	0.1	-	4.2
Amortisation	-	-0.0	-1.7	-1.0	-2.7	-0.1	-0.0	-	-5.6
Impairment	-	-	-	-	-0.0	-	-	-	-0.0
<b>Cumulative amortisation and impairment 31.12.2022</b>	<b>-0.2</b>	<b>0.0</b>	<b>-26.4</b>	<b>-3.9</b>	<b>-35.7</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-</b>	<b>-66.8</b>
Carrying amount 1.1.2022	2.8	0.1	15.9	2.7	18.4	0.2	0.3	0.8	41.3
Carrying amount 31.12.2022	2.8	0.0	15.0	1.9	19.2	0.2	0.2	0.4	39.7

## Leases

### Amounts recognised in balance sheet

EUR million	31.12.2023	31.12.2022
<b>Right-of-use assets</b>		
Buildings and structures	1.5	1.9
Machinery and equipment	6.6	0.2
<b>Total</b>	<b>8.0</b>	<b>2.1</b>
<b>Lease liabilities</b>		
Non-current lease liability, interest-bearing	6.5	1.2
Current lease liability, interest bearing	1.6	0.9
<b>Total</b>	<b>8.1</b>	<b>2.1</b>

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

### Amounts recognised in income statement

EUR million	1-12/2023	1-12/2022
<b>Depreciation of right-of-use assets</b>		
Land and water areas	-	0.0
Buildings and structures	0.8	1.0
Machinery and equipment	0.2	0.1
<b>Total</b>	<b>1.0</b>	<b>1.1</b>
Interest expenses	0.1	0.0
Expenses relating to short-term leases	0.0	0.1
Expenses relating to leases of low-value	0.0	0.0
Expenses relating to variable lease payments	1.2	1.1
Cash outflow for leases	2.7	2.8

### The Group's leasing activities and related accounting principles

The Group leases land, warehouses, offices, equipment and vehicles. Rental contracts are typically concluded for fixed periods of 2 months to 15 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	1-12/2023	1-12/2022
Book value, 1 January	20.1	19.9
Share of results for the period	4.0	0.5
Dividends received	-1.3	-0.3
Book value, 31 December	22.8	20.1

Group's holding in Sucros Group totals to 20 %.

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 31.12.2023

Sucros Group's published FAS-financial statement

EUR million	03/2022 - 02/2023	03/2021 - 02/2022
Non-current assets	23.6	22.2
Current assets	106.8	81.1
Cash and cash equivalents	2.3	0.6
<b>Asset</b>	<b>132.7</b>	<b>104.0</b>
Equity	98.3	93.4
Deferred tax liability	1.3	1.1
Current liabilities	33.0	9.5
<b>Equity and liabilities</b>	<b>132.7</b>	<b>104.0</b>
Net sales	122.0	105.0
Operating income and expenses	-115.5	-103.0
<b>Operating result</b>	<b>6.5</b>	<b>2.0</b>
Financial income and expenses	0.1	-0.1
Taxes	-0.1	-0.3
<b>Profit / loss for the period</b>	<b>6.5</b>	<b>1.6</b>

### Breakdown of Sucros holdings in the consolidated financial statements

EUR million	1-12/2023	1-12/2022
Book value, 1 January	19.8	19.6
Profit / loss for the period	4.0	0.5
Dividends received	-1.3	-0.3
Book value, 31 December	22.5	19.8

## Note 15. Other non - current financial assets

EUR million	31.12.2023	31.12.2022
Connection fees	0.5	0.3
Investments in shares of unlisted companies	0.0	0.0
Other non-current receivables	-	0.0
<b>Total</b>	<b>0.5</b>	<b>0.3</b>

## Note 16. Non - current receivables

EUR million	31.12.2023	31.12.2022
Non-current trade and other receivables	-	0.0
<b>Total</b>	<b>-</b>	<b>0.0</b>

## Note 17. Trade receivables and other current receivables

EUR million	31.12.2023	31.12.2022
Trade receivables	6.7	6.6
Receivables based on derivative instruments	0.1	-
Accrued income and deferred expenses	0.4	0.6
Other receivables	0.0	0.2
Trade receivables from associates	0.2	0.2
<b>Total</b>	<b>7.4</b>	<b>7.5</b>

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	31.12.2023	31.12.2022
Raw materials and consumables	14.8	8.2
Work in progress	7.3	7.4
Finished goods	12.8	14.5
<b>Total</b>	<b>34.8</b>	<b>30.1</b>

A write-down of EUR 0.1 (0.0) million in inventory value was booked to correspond the net realisation value.

## Note 19. Cash and cash equivalents

EUR million	31.12.2023	31.12.2022
Other current financial assets	4.1	-
Cash and cash equivalents	9.9	14.8
<b>Total</b>	<b>14.0</b>	<b>14.8</b>

## Note 20. Shareholders' equity

EUR million	31.12.2023	31.12.2022
Number of shares	6,317,576	6,317,576
Outstanding shares	6,235,801	6,239,908
Number of own shares	81,775	77,668
Own shares' share of the company's share capital and voting rights	1.3	1.2
Acquisition cost of own shares	-1.2	-1.1
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 plans carried out in 2021, in which a total of 8,000 shares were subscribed at the price of 13.91 euro per share and in 2023, in which a total of 10,000 shares were subscribed at the price of 12.24 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 81,775 of its 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 1.3% of the company's share capital and votes.

Apetit Plc's Annual General Meeting held on April 13, 2022 authorized the Board of Directors to repurchase the company's own shares. Altogether no more than 80,000 shares may be repurchased using company's retaining earnings. A total of 18 507 shares were purchased by Apetit Plc in 2023. The total amount paid to acquire shares amounted to EUR 238,484.05.

#### Dividends

After the date of the financial statement the Board of Directors has proposed a dividend of EUR 0.75 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	2023	2022
Pension obligations 1 Jan.	0.2	0.2
Increases / decreases	-0.0	-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 45 pensioners. Plans are administered in pension companies. Parent company's defined benefit obligation totals to EUR 1.1 (1.2) million and plan assets totals to EUR 0.9 (1.0) million. Net liability totals to EUR 0.2 (0.2) million.

EUR million	2023	2022
<b>The amounts recognised in the balance sheet are determined as follows:</b>		
Present value of funded obligations	1.1	1.2
Fair value of plan assets	0.9	1.0
Net liability (+) / asset (-)	0.2	0.2
<b>Change in the defined benefit obligation</b>		
Defined benefit obligation in the beginning of the year	1.2	1.6
Interest expenses	0.0	0.0
Actuarial gains (-) and losses (+)	-0.0	-0.2
Benefits paid	-0.2	-0.2
Defined benefit obligation at the end of the year	1.1	1.2
<b>Change in plan assets</b>		
Plan assets in the beginning of the year	1.0	1.3
Interest income	0.0	-0.2
Contributions paid into the plans	0.1	0.0
Benefits paid	-0.2	-0.2
Plan assets at the end of the year	0.9	1.0

EUR million	2023	2022
<b>Defined benefit expense in income statement</b>		
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
<b>The amounts recognised in equity</b>		
Gains and losses from change of financial assumptions	0.0	-0.2
Experience gains and losses	-0.0	0.0
Return on plan assets excluding interest	0.0	0.2
Remeasurements of post employment benefit obligations	0.0	0.0
<b>Significant actuarial assumptions</b>		
Discount rate (%)	3.2	3.8
Pension growth rate (%)	2.5	2.9
Inflation (%)	2.2	2.6

	Pension liability	
Changes in the assumptions, sensitivity 2023	Increase %	Decline %
Discount rate, change 0,5%	-2.9	3.1
Pension payments growth rate, change 0.25 %	1.4	-1.4
Life expectancy, change 5%	-2.7	2.9

	Pension liability	
Changes in the assumptions, sensitivity 2022	Increase %	Decline %
Discount rate, change 0,5%	-2.9	3.1
Pension payments growth rate, change 0.25 %	1.4	-1.4
Life expectancy, change 5%	-2.7	2.9

Sensitivity analysis relate to Apetit plc's benefit plan.

## Note 22. Share-based payments

### Share - based incentive plan 2021-2023

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 component 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.

<b>Share - based incentive plan 2021-2023</b>	<b>Matching share plan 2021-2023</b>	<b>Performance share plan 2021-2023</b>
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	0	0
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
<b>Valuation principles</b>		
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
<b>Changes during the period, shares</b>		
Amount outstanding at the beginning of the period	4,400	5,762
Expired during the period	-	5,762
Vested during the period	4,400	-
Outstanding at the end of the period	-	-
<b>EUR 1 000</b>		
Recognized as an expense against equity during the period	4	-
Recognized as an expense during the period, against liability	4	-
Total expense during the financial year	8	-
Debt balance at the end of reporting period	-	-

### Share - based incentive plan 2023-2025

The Board of Directors of Apetit Plc ("Apetit") has decided on the establishment of a long-term matching share scheme 2023–2025 and on the establishment of a performance-based share scheme 2023–2025, whereupon the possible rewards will be paid as a combination of Apetit Plc's shares and cash. The members of the Group Management Team, HR Director and Communications and Sustainability Manager, currently seven people, are entitled to participate in the long-term matching share incentive scheme at the beginning thereof. The members of the Group Management Team, currently five people, are entitled to participate the performance-based share incentive scheme at the beginning thereof.



### Matching share plan

The Matching Share Plan comprises of the key personnel's personal investment in the company's shares and of their right to receive one additional share without consideration for each self-acquired and retained company share as described in more detail below, after the earning period ends on 15 June 2025, as well as a cash reward corresponding to the number of shares to be issued. The purpose of the cash reward is to cover the taxes and tax-like payments to the key personnel arising from the issuance of shares.

The matching shares and the related cash portion shall be paid to the participants when the payment conditions are met, approximately on 15 June 2025, in a manner decided by the Board of Directors of Apetit Plc.

A maximum of 10,000 new shares or shares held by the company can be issued as additional shares and the cash reward corresponding to the same number of shares can be given within the Matching Share Plan. The maximum value of the plan, including the shares and the portion to be paid in cash, is approximately EUR 0.3 million calculated based on the average share price on the trading day preceding this release.

### Performance share plan

In the Performance Share Plan, the potential receipt and amount of the reward is based on the operating profit, ROCE-%, reduction of CO2 emissions, development of workplace safety and success of the ERP renewal project of the Apetit Group from 1 January 2023 to 31 December 2025 and the person's continued employment or service relationship with the company.

If the set performance targets are achieved in full, the maximum amount of share rewards to be transferred under the plan is 34,000 new shares or treasury shares held by the company, and the cash reward corresponding to the number of shares in a manner decided by the Board of Directors. The purpose of the portion to be paid in cash is to cover taxes and tax-like charges to the key personnel arising from the portion to be issued in shares.

Share - based incentive plan 2023-2025	Matching share plan	Performance share plan
	2023-2025	2023-2025
Maximum number of shares granted, pcs	10,000	34,000
Grant date	13.3.2023	16.2.2023
Vesting period ends	15.6.2025	31.12.2025
Life time of the plan, years	2.3	2.9
Remaining life time at the balance sheet date, years	1.5	2.0
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
<b>Valuation principles</b>		
Share price at grant date, eur	12.24	10.83
Expected dividends per share during the vesting period, eur per share	1.50	1.50
Fair value in accordance with IFRS 2 at grant date, eur per share	10.74	9.33
Maximum value of the scheme at grant date, 1000 eur	215	634
<b>Changes during the period, shares</b>		
Amount outstanding at the beginning of the period	-	-
Granted during the period	10,000	34,000
Outstanding at the end of the period	10,000	34,000

**EUR 1 000**

Recognized as an expense against equity during the period	40	41
Recognized as an expense during the period, against liability	40	41
Total expense during the financial year	80	81
Debt balance at the end of reporting period	40	41

## Note 23. Interest-bearing liabilities

EUR million	2023	2022
<b>Non-current liabilities, interest-bearing</b>		
Non-current lease liability, interest-bearing	6.5	1.2
<b>Total</b>	<b>6.5</b>	<b>1.2</b>

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

<b>Current interest-bearing liabilities</b>		
Current lease liability, interest bearing	1.6	0.9
<b>Total</b>	<b>1.6</b>	<b>0.9</b>

### 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
<b>Interest-bearing liabilities 1.1.2023</b>	-	-	-	1.2	0.9	2.1
Lease liabilities additions	-	-	-	6.3	0.7	7.0
Lease liabilities disposals	-	-	-	-	-	-
Cash flows	-	-	-	-1.1	0.1	-1.0
<b>Interest-bearing liabilities 31.12.2023</b>	-	-	-	6.5	1.6	8.1

EUR million	Commercial papers	Non-current loans from credit institutions	Current loans from credit institutions	Non-current lease liabilities	Current lease liabilities	Total
<b>Interest-bearing liabilities 1.1.2022</b>	28.0	-	1.1	1.8	1.4	32.3
Lease liabilities additions	-	-	-	1.0	-	1.0
Lease liabilities disposals	-	-	-	-0.8	-	-0.8
Cash flows	-28.0	-	-1.1	-0.7	-0.5	-30.3
<b>Interest-bearing liabilities 31.12.2022</b>	-	-	-	1.2	0.9	2.1

## Note 24. Trade payables and other liabilities

EUR million	1-12/2023	1-12/2022
<b>Current</b>		
Trade payables	8.1	8.6
Payables to associated companies	0.2	1.0
Payables based on derivative instruments, hedge accounting	-	1.0
Accrued expenses and deferred income	8.8	6.5
Other liabilities	2.1	1.8
<b>Total</b>	<b>19.3</b>	<b>18.9</b>

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 0.3 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

EUR million	1-12/2023	1-12/2022
Other current financial assets	4.1	-
Cash and cash equivalents	9.9	14.8
Interest rate swaps	-	10.0

At the end of the financial year the Group had no issued commercial papers and loans from financial institutions. Other short-term financial assets consist of liquid interest investments.

#### 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 commodity risk of Oilseed products relate to 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 commodities of Oilseeds products business unit have functional derivative markets such as CME (CBOT) and Euronext (Matif), and the hedging relationships are mostly effective. 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. 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.

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	1-12/2023	1-12/2022
<b>Derivative based commodity prices increase by 10%</b>		
Affect on equity	1.4	2.6
<b>Derivative based commodity prices decrease by 10%</b>		
Affect on equity	-2.1	-2.6

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).

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 financial statement the Group had no significant currency positions.

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

EUR million	Level 1	Level 2	Level 3	Total
<b>Assets 2023</b>				
Other current financial assets	4.1	-	-	4.1
<b>Assets 2022</b>				
Interest rate swaps, no hedge accounting	-	0.0	-	0.0
<b>Liabilities 2023</b>				
Commodity derivatives, hedge accounting	-0.4	-	-	-0.4
<b>Liabilities 2022</b>				
Commodity derivatives, hedge accounting	-2.0	-	-	-2.0

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

Level 1 fair values are based on prices obtained from active markets.

Level 2 fair values are based on other input data and commonly accepted fair value models. The input data is based on observable market prices.

Level 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.

## Nominal values of derivative instruments

EUR million	1-12/2023	1-12/2022
Commodity derivatives, cash flow hedge accounting	20.2	36.2
Interest rate swaps, no cash flow hedge accounting	-	10.0

## 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	1-12/2023	1-12/2022
Cash flow hedges recognised in equity	1.2	-0.1
Taxes related to cash flow hedges booked in equity	-0.2	0.0
Derivatives related to net sales	-	-2.6
Derivatives related to purchases and other operating income and expense	-4.7	-4.2
Taxes related to cash flow hedges booked in profit and loss	0.9	1.4

## 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	1-12/2023	1-12/2022
Not due	7.2	7.3
0 - 3 months past due	0.2	0.2
4 - 6 months past due	0.1	-
Over 6 months past due	0.0	0.0
<b>Total</b>	<b>7.4</b>	<b>7.5</b>

## 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. There were no commercial papers issued during the financial period. 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

31.12.2023	0 - 3	4 - 12	1 - 5	> 5
EUR million	month	month	years	years
Lease liabilities	-0.4	-1.2	-3.6	-5.0
Trade payables	-8.0	-0.4	-	-
Derivative liabilities	-0.2	-0.1	-	-
<b>Total</b>	<b>-8.7</b>	<b>-1.7</b>	<b>-3.6</b>	<b>-5.0</b>

31.12.2022	0 - 3	4 - 12	1 - 5	> 5
EUR million	month	month	years	years
Lease liabilities	-0.2	-0.7	-1.3	-
Trade payables	-9.6	-0.0	-	-
Derivative liabilities	-1.8	0.1	-	-
<b>Total</b>	<b>-11.6</b>	<b>-0.6</b>	<b>-1.3</b>	<b>-</b>

## 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 can 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	1-12/2023	1-12/2022
Interest Bearing liabilities	8.1	2.1
Other current financial assets	4.1	-
Cash and cash equivalents	9.9	14.8
Interest bearing net liabilities	-5.9	-12.7
Equity	103.5	96.0
Interest-bearing net debt and equity total	97.6	83.3
Net gearing	-5.7 %	-13.2 %
Equity Ratio	78.9 %	81.8 %



## Note 26. Collateral, contingent liabilities, contingent assets and other commitments

EUR million	1-12/2023	1-12/2022
<b>Pledges given for debts</b>		
Guarantees	2.2	2.2
<b>Binding agreements not recognised in the balance sheet</b>		
Within one year	0.8	0.6
After one year but not more than five years	2.7	0.6
<b>Total</b>	<b>3.5</b>	<b>1.3</b>
<b>Investment commitments</b>		
Food Solutions	1.1	2.1
Oilseed products	2.2	0.0
Group functions	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 2014-2023 property investments, if the taxable use of the properties decreases. The maximum value of the liability is EUR 1.8 (2.2) million and the liability is valid until 2033.

## 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
Apetit Kasviöljy Oy	Finland	100.0	100.0
Apetit 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

\* Merged during 2023

\*\* Company dissolved

## 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	1-12/2023	1-12/2022
<b>Supervisory Board</b>		
Harri Eela, chairman of the Supervisory Board	17	18
Maisa Mikola, deputy chairman of the Supervisory Board	14	14
Other members of the Supervisory Board	18	14

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	1-12/2023	1-12/2022
<b>Board</b>		
Lasse Aho, chairman of the Board	54	39
Niko Simula, deputy chairman of the Board	34	25
Annikka Hurme, member of the Board	30	21
Antti Korpinieniemi, member of the Board	28	20
Kati Sulin, member of the Board	28	21
Tero Hemmilä, member of the Board from 25 April 2023	19	-
<b>Management</b>		
Esa Mäki, CEO	450	337
Corporate management, five members	737	777

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 2022, 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 33 per cent of annual salary for other management.

The agreed retirement age for the CEO is 63 years.

#### Post-employment benefits

EUR 1 000	1-12/2023	1-12/2022
Amount recognized as an expense due to retirement benefit		
Esa Mäki, CEO	38	34

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	1-12/2023	1-12/2022
Sales to associated companies	0.9	0.7
Purchases from associated companies	2.2	3.1
Trade receivables and other receivables from associated companies	0.2	0.2
Trade payables and other liabilities to associated companies	0.2	1.0
Sales to other related parties	0.2	0.0
Purchases from other related parties	1.2	0.3
Receivables from other related parties	0.0	-
Liabilities to other related parties	0.2	0.1

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

## **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 1000	Note	1-12/2023	1-12/2022
<b>Other operating income</b>	(1)	321	409
Personnel expenses	(2)	-2,369	-1,619
Depreciation, amortisation and impairment	(3)	-114	-291
Other operating expenses	(4)	-1,389	-721
<b>Operating profit / loss</b>		<b>-3,551</b>	<b>-2,222</b>
Financial income and expenses	(5)	3,111	1,427
<b>Profit / loss before appropriations and taxes</b>		<b>-440</b>	<b>-795</b>
Group contributions		2,800	1,600
Change in depreciation difference		35	-0
Change in deferred tax assets	(6)	-317	-133
<b>Net profit / loss</b>		<b>2,078</b>	<b>672</b>

## Parent company balance sheet, FAS

EUR 1000	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>Long-term assets</b>			
Intangible assets	(7)	1,582	76
Tangible assets	(8)	3,072	3,159
Investments in Group companies	(9,10)	31,538	32,178
Investments in associated companies	(9,10)	12,158	12,158
Other investments and receivables	(9,10)	16	18
<b>Total long-term assets</b>		<b>48,365</b>	<b>47,590</b>
<b>Short-term assets</b>			
Long-term receivables	(11)	9,263	11,286
Deferred tax assets	(13)	1,096	1,414
Current receivables	(12)	18,040	18,940
Cash and cash equivalents		13,049	10,777
<b>Total short-term assets</b>		<b>41,448</b>	<b>42,417</b>
<b>Total assets</b>		<b>89,814</b>	<b>90,007</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
	(14)		
Share capital		12,635	12,635
Share premium account		23,391	23,391
Invested non-restricted equity capital		234	111
Contingency reserve		7,232	7,232
Retained earnings		39,222	41,916
Profit / loss for the period		2,078	672
<b>Total equity</b>		<b>84,791</b>	<b>85,957</b>
<b>Appropriations</b>		-	35
<b>Liabilities</b>			
	(15)		
Long-term non-interest-bearing liabilities		577	647
Current interest-bearing liabilities		2,606	2,615
Current non-interest-bearing liabilities		1,839	753
<b>Total liabilities</b>		<b>5,022</b>	<b>4,015</b>
<b>Total equity and liabilities</b>		<b>89,814</b>	<b>90,007</b>

## Parent company statement of cash flows, FAS

EUR 1000	1-12/2023	1-12/2022
<b>Cash flow from operating activities</b>		
Profit before extraordinary items	-440	-795
Adjustments *)	-2,353	-1,136
Change in working capital		
Change in non-interest-bearing current receivables	-1,336	225
Change in non-interest-bearing current liabilities	1,086	-98
<b>Cash flow from operating activities before financial items and taxes</b>	<b>-3,043</b>	<b>-1,804</b>
Interests paid	-91	-121
Interests received	1,896	1,122
<b>Cash flow from operating activities (A)</b>	<b>-1,238</b>	<b>-803</b>
<b>Cash flow from investing activities</b>		
Investments in tangible and intangible assets	-1,541	-77
Proceeds from sales of tangible and intangible assets	7	-
Proceeds from disposals of other investments	3	-
Dividends received	1,306	321
<b>Cash flow from investing activities (B)</b>	<b>-224</b>	<b>244</b>
<b>Cash flow before financing</b>	<b>-1,462</b>	<b>-559</b>
<b>Cash flow from financing activities</b>		
Acquisition of own shares	-238	-
Sale of own shares	122	-
Change in long-term loans	-3	-
Change in short-term loans	-9	-28,482
Change in subsidiary financing	1,953	42,396
Change in group bank account	3,437	-7,019
Dividends paid	-3,127	-2,496
Group contributions	1,600	-
<b>Cash flow from financing activities (C)</b>	<b>3,735</b>	<b>4,399</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>2,272</b>	<b>3,839</b>
Cash and cash equivalents at beginning of financial year	10,777	6,938
Cash and cash equivalents at end of financial year	13,049	10,777

\*) Adjustments

Depreciation, amortisation and impairment	114	291
Financial income and expenses	-3,111	-1,427
Gains and losses on sales of tangible and intangible assets	1	-
Other non-cash items	643	-
<b>Total</b>	<b>-2,353</b>	<b>-1,136</b>



# 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 statement, FAS

## 1. Other operating income

EUR 1000	1-12/2023	1-12/2022
Gains from sales of non-current assets	6	-
Rental income	157	167
Service fees	154	142
Other	4	100
<b>Total</b>	<b>321</b>	<b>409</b>

## 2. Personnel expenses and average number of personnel

EUR 1000	1-12/2023	1-12/2022
<b>Personnel expenses</b>		
Wages and salaries	1,905	1,292
Pension expenses	305	229
Other social security expenses	159	97
<b>Total</b>	<b>2,369</b>	<b>1,619</b>

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

<b>Personnel, FTE</b>	<b>14</b>	<b>11</b>
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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 years
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 1000	1-12/2023	1-12/2022
<b>Depreciation and amortisation according to plan</b>		
Intangible rights	4	4
Other capitalised long-term expenses	31	31
Buildings and structure	78	256
Machinery and equipment	-	0
<b>Total</b>	<b>114</b>	<b>291</b>

#### 4. Other operating expenses

EUR 1000	1-12/2023	1-12/2022
<b>Other operating expenses</b>		
Merger loss	643	-
Rental expenses	162	141
Administrative expenses	416	401
Other operating expenses	169	180
<b>Total</b>	<b>1,389</b>	<b>721</b>
<b>Audit fees</b>		
Annual audit	75	19
Other services	-	17
<b>Total</b>	<b>75</b>	<b>36</b>

#### 5. Financial income and expenses

EUR 1000	1-12/2023	1-12/2022
<b>Dividend income</b>		
From associated company	1,306	320
From others	1	1
<b>Total</b>	<b>1,306</b>	<b>321</b>
<b>Interest income from long-term investments</b>		
From Group companies	846	578
<b>Other interest and financial income</b>		
From Group companies	665	610
Interest incomes from others	340	19
Other financial incomes from others	44	20
<b>Total</b>	<b>1,050</b>	<b>649</b>
<b>Financial income, total</b>	<b>3,202</b>	<b>1,548</b>
<b>Interest expenses and other financial expenses</b>		
<b>To foreign currency losses</b>		
To Group companies	2	0
Interest expenses to others	0	53
Other financial expenses to others	89	68
<b>Total</b>	<b>91</b>	<b>121</b>
<b>Financial expenses total</b>	<b>91</b>	<b>121</b>
<b>Financial income and expenses, total</b>	<b>3,111</b>	<b>1,427</b>

#### 6. Income taxes

EUR 1000	1-12/2023	1-12/2022
Change in deferred tax assets	-317	-133
<b>Total</b>	<b>-317</b>	<b>-133</b>

## 7. Long-term intangible assets

### Intangible assets 2023

EUR 1000	Intangible rights	Other capitalised long-term expenses	Construction in progress	Total
Acquisition cost 1 Jan.	63	221	-	284
Additions	-	10	1,530	1,541
Acquisition cost 31 Dec.	63	232	1,530	1,825
Accumulated amortisation 1 Jan.	-52	-156	-	-208
Amortisation for the period	-4	-31	-	-35
Accumulated amortisation 31 Dec.	-56	-187	-	-243
<b>Book value 31 Dec. 2023</b>	<b>7</b>	<b>45</b>	<b>1,530</b>	<b>1,582</b>

### Intangible assets 2022

EUR 1000	Intangible rights	Other capitalised long-term expenses	Construction in progress	Total
Acquisition cost 1 Jan.	63	212	-	275
Additions	-	9	-	9
Acquisition cost 31 Dec.	63	221	-	284
Accumulated amortisation 1 Jan.	-48	-125	-	-173
Amortisation for the period	-4	-31	-	-35
Accumulated amortisation 31 Dec.	-52	-156	-	-208
<b>Book value 31 Dec. 2022</b>	<b>11</b>	<b>66</b>	<b>-</b>	<b>76</b>

## 8. Long-term tangible assets

### Tangible assets 2023

EUR 1000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan.	2,157	5,348	251	57	7,814
Disposals	-9	-	-	-	-9
Acquisition cost 31 Dec.	2,148	5,348	251	57	7,805
Accumulated depreciation 1 Jan.	-	-4,404	-251	-	-4,655
Depreciation for the period	-	-78	-	-	-78
Accumulated depreciation 31 Dec.	-	-4,482	-251	-	-4,733
<b>Book value 31 Dec. 2023</b>	<b>2,148</b>	<b>866</b>	<b>-</b>	<b>57</b>	<b>3,072</b>

## Tangible assets 2022

EUR 1000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan.	2,157	5,283	255	57	7,753
Additions	-	65	-	-	65
Disposals	-	-	-4	-	-4
Acquisition cost 31 Dec.	2,157	5,348	251	57	7,814
Accumulated depreciation 1 Jan.	-	-4,148	-255	-	-4,403
Disposals, accumulated depreciation	-	-	4	-	4
Depreciation for the period	-	-256	-0	-	-256
Accumulated depreciation 31 Dec.	-	-4,404	-251	-	-4,655
Book value 31 Dec. 2022	2,157	945	-	57	3,159

## Revaluation 2023

Revaluations are included in the carrying amount of land.

Land and water areas 31 Dec. 2023 **1,722**

## 9. Investments

### Investments, other investments and receivables 2023

EUR 1000	Holdings in Group companies	Holdings in associated companies	Other investments	Other receivables	Total
Acquisition cost 1 Jan.	32,178	12,158	12	6	44,355
Additions	1,545	-	-	-	1,545
Disposals	-2,186	-	-	-3	-2,188
<b>Book value 31 Dec. 2023</b>	<b>31,538</b>	<b>12,158</b>	<b>12</b>	<b>4</b>	<b>43,712</b>

### Investments, other investments and receivables 2022

EUR 1000	Holdings in Group companies	Holdings in associated companies	Other investments	Other receivables	Total
Acquisition cost 1 Jan.	32,178	12,158	12	4	44,352
Additions	-	-	-	3	3
<b>Book value 31 Dec. 2022</b>	<b>32,178</b>	<b>12,158</b>	<b>12</b>	<b>6</b>	<b>44,355</b>

## 10. Shares of Group companies, associated companies and other shares and receivables

	Domicile	Holding
<b>Group companies</b>		
Apetit Ruoka Oy	Säkylä	100
Apetit Kasviöljy Oy	Kirkkonummi	100
Lännen Sokeri Oy, non operative company	Säkylä	100
<b>Associated companies</b>		
Sucros Oy	Helsinki	20
Foodwest Oy	Seinäjoki	18
<b>Other shares, holdings and long-term receivables</b>		<b>Book value</b>
Unquoted shares and holdings		12
Connection fees, long-term receivables		4
<b>Total</b>		<b>16</b>

## 11. Long-term receivables

EUR 1000	31.12.2023	31.12.2022
Loans receivables from Group companies	8,686	10,639
Other receivables	577	647
<b>Total</b>	<b>9,263</b>	<b>11,286</b>

## 12. Short-term receivables

EUR 1000	31.12.2023	31.12.2022
Accounts receivable	30	11
<b>Amounts owed by the Group companies</b>		
Accounts receivable	2,184	631
Loans receivable	12,953	12,953
Group bank account receivables	-	3,437
Group contribution receivables	2,800	1,600
Other receivables	-	269
<b>Total</b>	<b>17,937</b>	<b>18,890</b>
<b>Amounts owed by the associated companies</b>		
Accounts receivable	18	19
<b>Total</b>	<b>18</b>	<b>19</b>
<b>Other receivables from others</b>		
Other	55	20
<b>Total</b>	<b>55</b>	<b>20</b>
<b>Short-term receivables total</b>	<b>18,040</b>	<b>18,940</b>

## 13. Deferred tax assets

EUR 1000	31.12.2023	31.12.2022
Deferred tax assets, carry forward of unused tax losses	1,096	1,414

Deferred tax assets of EUR 317,646.38 (-132,978.76) have been recognised for the loss to be confirmed in 2023.

The net amount of the off-balance sheet deferred tax liability is EUR 3.852,45



## 14. Changes in shareholders' equity

EUR 1000	31.12.2023	31.12.2022
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.	234	111
Invested non-restricted equity capital 31.12.	234	111
Retained earnings 1 Jan.	41,916	44,847
Transfer from previous year's profit	672	-435
Dividends paid	-3,127	-2,496
Amount paid for own shares	-238	-
Retained earnings 31 Dec.	39,222	41,916
Profit / loss for the financial year	2,078	672
Shareholders' equity 31 Dec.	84,791	85,957
<u>Distributable funds</u>		
Contingency reserve	7,232	7,232
Invested non-restricted equity capital	39,222	111
Retained earnings	234	41,916
Profit for the financial year	2,078	672
Distributable funds 31 Dec.	48,766	49,931

## 15. Liabilities

EUR 1000	31.12.2023	31.12.2022
<b>Long-term liabilities</b>		
Provisions for pensions	577	647
Total	577	647
<b>Short-term liabilities</b>		
Trade payables	495	186
Total	495	186
<b>Amounts owed to Group companies</b>		
Trade payables	18	-
Other liabilities	61	61
Group account liabilities	2,606	2,615
Total	2,686	2,677
<b>Amounts owed to associated companies</b>		
Trade payables	4	24
<b>Other liabilities</b>		
Tax account payable	256	253
<b>Accrued expenses and deferred income</b>		
Personnel expenses	838	205
Accruals of expenses	166	22
Total	1,004	228
Long-term non-interest-bearing liabilities	577	647
Short-term liabilities, interest-bearing, total	2,606	2,615
Short-term liabilities, non-interest-bearing, total	1,839	753
<b>Total</b>	<b>5,022</b>	<b>4,015</b>

## 16. Contingent liabilities

EUR 1000	31.12.2023	31.12.2022
<b>Lease liabilities</b>		
Falling due during the following year	180	167
Falling due at later date	178	330
<b>Other lease liabilities</b>		
Falling due during the following year	16	16
Falling due at later date	14	30
<b>Other liabilities</b>		
Guarantees	51	51
<b>Contingent liabilities on behalf of the Group companies</b>		
Guarantees	2,155	2,155
<b>Liabilities total</b>	<b>2,593</b>	<b>2,749</b>
<b>Outstanding derivative instruments</b>		
Interest rate swaps		
Nominal value of underlying instruments	-	10,000
Market value	-	44

### 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 €175,196.89 and the final revision year is 2032.

# Proposal of the Board of Directors for the distribution of profits

The parent company's distributable funds totalled EUR 48,765,724.28 on 31 December 2023, of which EUR 2,077,630.40 is profit 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 0.75 per share i.e. a total of at at Financial statement date	
for the entire number of shares	4,738,182.00
for the number of shares owned by outside the company	4,676,850.75

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 14 February 2024

Lasse Aho  
Chairman

Tero Hemmilä

Annikka Hurme

Kati Sulin

Niko Simula

Antti Korpiemi

Esa Mäki  
CEO

An auditor's report has been issued today.

Säkylä 14 February 2024

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, 2023. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, 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 IFRS Accounting Standards 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**

#### **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 and oil seed products. The Group satisfies its agreed performance obligations and recognizes revenue when control over product is transferred to a customer.

Revenue recognition is considered as a key audit matter because revenues are a key performance measure which could create an incentive for revenue to be recognized prematurely. Revenue recognition was also determined to be a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).

#### **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, 2023 shares in associated companies amounted to 22,8 M€ in the Group's balance sheet consisting mainly of ownership in Sucros group.

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 they constitute a material asset, representing approximately 17 % of the Group's total assets, and because the impairment testing imposes significant estimates and judgement.

### **How our audit addressed the Key Audit Matter**

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.

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.

## **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 three 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 14.2.2024

Ernst & Young Oy  
Authorized Public Accountant Firm

Osmo Valovirta  
Authorized Public Accountant

Erika Grönlund  
Authorized Public Accountant

## STATEMENT BY THE SUPERVISORY BOARD

The Supervisory Board has today reviewed Apetit Plc's financial statements 2023 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 to 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: Kirsi Ahlgren, Nicolas Berner, Harri Eela, Juha Hämäläinen, Laura Hämäläinen, Jari Nevavuori and Markku Pärssinen.

29 February 2024

For the Supervisory Board

Harri Eela  
Chairman

Susanna Tevä  
Secretary of the meeting

# **OTHER FINANCIAL INFORMATION**

# Key indicators

## Financial ratios

Profitability	Continuing operations				
	EUR million	2023	2022	2021	2020
Net sales	175.5	181.7	283.9	292.9	296.9
Exports	32.5	42.4	108.5	134.0	134.4
Operating profit	7.5	3.5	2.8	3.9	-4.8
% of net sales	4.3	1.9	1.0	1.3	-1.6
R & D expenses	1.6	1.4	1.0	1.0	1.3
% of net sales	0.9	0.8	0.4	0.4	0.4
Financial income (+)/expenses(-), net	-0.2	-0.2	-0.4	-0.5	-0.7
Result before taxes	11.3	3.8	2.9	3.7	-6.4
% of net sales	6.4	2.1	1.0	1.3	-2.1
Result for the period	9.8	3.2	2.4	3.1	-5.4
% of net sales	5.6	1.7	0.8	1.0	-1.8
Attributable to					
Shareholders of the parent company	9.8	3.2	2.4	3.1	-5.4
Non-controlling interests	-	-	-	-	-

Finance and financial position	Group				
	EUR million	2023	2022	2021	2020
Return on equity, % (ROE)	9.8	5.5	2.5	3.4	-4.5
Return on capital employed, % (ROCE) *	7.3	5.7	2.4	3.3	-4.0
Equity ratio, %	78.9	81.8	59.4	66.5	55.0
Net gearing, %	-5.7	-13.2	26.6	21.7	35.9
Non-current assets	74.9	64.9	68.0	67.7	64.4
Inventories	34.8	30.1	70.8	58.7	66.4
Other current assets	21.4	22.3	18.2	16.3	39.9
Shareholders' equity	103.5	96.0	93.3	95.0	93.9
Distributable funds	48.8	49.9	51.8	55.2	55.1
Interest-bearing liabilities	8.1	2.1	32.3	21.7	36.6
Non-interest-bearing liabilities	19.5	19.2	31.6	26.1	40.3
Balance sheet total	131.1	117.3	157.1	142.8	170.8

<b>Other indicators</b>		<b>Continuing operations</b>				
<b>EUR million</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	
Gross investments excluding business acquisitions	7.5	5.0	6.6	7.8	11.5	
% of net sales	4.3	2.8	2.3	2.7	4.0	
Acquisitions and other equity investments	0.2	0.0	-	0.0	-	
% of net sales	0.0	0.0	-	0.0	-	

		<b>Group</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	
Personnel, FTE	298	303	337	343	452	

<b>Share indicators</b>		<b>Group</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	
Earnings per share, EUR	1.56	0.83	0.38	0.52	-0.71	
Dividend per share, EUR *	0.75	0.50	0.40	0.50	0.45	
Dividend per earnings, %	48.1	60.1	105.4	96.6	-	
Effective dividend yield, % *	5.7	4.9	3.1	4.7	5.7	
P/E ratio	8.4	12.3	33.9	20.8	-	
Shareholders' equity per share, EUR	16.60	15.38	14.95	15.26	15.09	
<b>Share performance, EUR</b>						
Lowest price during the year	10.10	9.62	10.70	7.12	7.66	
Highest price during the year	13.50	13.90	14.90	10.80	9.84	
Average price during the year	12.35	10.94	13.09	8.94	8.54	
Share price at the end of the year	13.15	10.20	12.85	10.70	7.84	
<b>Share turnover</b>						
Share turnover (1,000 pcs)	551	500	1,094	1,627	1,252	
Turnover ratio, %	8.7	7.9	17.3	25.8	20.0	
Share capital, EUR million	12.6	12.6	12.6	12.6	12.6	
Market capitalisation, EUR million	84.1	64.4	81.2	67.6	49.5	
Dividends, EUR million *	4.7	3.1	2.5	3.1	2.8	

<b>Number of shares</b>					
Number of shares	6,317,576	6,317,576	6,317,576	6,317,576	6,317,576
Average adjusted number of shares	6,250,366	6,239,744	6,234,286	6,223,332	6,217,118
Adjusted number of shares at the end of the period	6,235,801	6,239,908	6,238,923	6,228,346	6,222,876
Number of own shares	81,775	77,668	78,653	89,230	94,700

\* Proposal of the board of directors

# Calculation of key indicators

## IFRS key figures

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

## 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:

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

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

$$\text{Capital employed} = \text{Equity} + \text{interest-bearing liabilities}$$

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

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

$$\text{Interest-bearing net liabilities} = \text{Interest-bearing liabilities} - \text{Cash and cash equivalents} - \text{Short term investments}$$

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

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

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

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

$$\text{Market capitalisation} = \text{Basic number of outstanding shares} \times \text{Closing share price}$$

## Major Shareholders on 29 December 2023

	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	367,860	5.8	367,860	5.9
Central Union of Agricultural Producers and Forest Owners	205,485	3.3	205,485	3.3
Poutiainen Juha	110,000	1.7	110,000	1.8
Laakkonen Mikko	102,802	1.6	102,802	1.6
Niemi trust fund SR	100,096	1.6	100,096	1.6
Pharmacies Pension Fund	90,395	1.4	90,395	1.4
Skandinaviska Enskilda Banken ABP, Helsinki Branch	89,024	1.4	89,024	1.4
<b>Top 10 sub-total</b>	<b>2,537,829</b>	<b>40.2</b>	<b>2,537,829</b>	<b>40.5</b>
Nominee-registered shares	146,099	2.3	146,099	2.3
Other shareholders	3,551,873	56.2	3,577,000	57.1
<b>External ownership total</b>	<b>6,235,801</b>	<b>98.7</b>	<b>6,260,928</b>	<b>100.0</b>
Shares owned by the company	81,775	1.3		
<b>Total</b>	<b>6,317,576</b>	<b>100.0</b>		

## Distribution of ownership on 29 December 2023

	% of shareholders	% of shares
Companies total	2.3	19.1
Financial and insurance institutions	0.1	6.1
Public organisations	0.2	12.2
Private households	96.3	55.6
Non-profit organisations	0.9	4.6
Foreign owners	0.1	0.0
Nominee-registered		2.3
<b>Total</b>		<b>100.0</b>

## Distribution of shareholdings on 29 December 2023

Shares	Number of shareholders	% of shareholders	Number of shares	% of shares	
	pcs	%	pcs	%	
1	100	7,010	57.4	268,020	4.2
101	500	3,833	31.4	925,275	14.6
501	1000	782	6.4	582,770	9.2
1001	5000	493	4.0	936,881	14.8
5001	10000	49	0.4	326,476	5.2
10001	50000	26	0.2	483,857	7.7
50001	100000	6	0.0	435,887	6.9
100001	500000	7	0.1	1,778,302	28.15
500001		1	0.0	580,108	9.2
<b>Total</b>		<b>12,207</b>	<b>100.0</b>	<b>6,317,576</b>	<b>100.0</b>

*Apetit*