

A photograph of three children running through a golden field at sunset. The child on the right is wearing a red shirt and has their arm outstretched. The child in the middle is wearing a maroon shirt. The child on the left is wearing a dark blue shirt. The background shows a line of trees under a cloudy sky.

GROUP NET SALES INCREASED BY 23% AND PROFITABILITY IMPROVED

Fodelia Oyj

Business Review 3.5.2022

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Financial development in January-March and highlights

GROUP NET SALES INCREASED BY 23% AND PROFITABILITY IMPROVED

- **Summary for January–March 2022**
- Net sales for the period under review grew by 22.8%, to EUR 9,237,000 (EUR 7,520,000, 39.6%)
- EBITDA for the period under review was EUR 651,000, or 7.0% of net sales (EUR 350,000, 4.7%)
- Operating profit for the period under review was EUR 245,000, or 2.7% of net sales (EUR -40,000, -0.5%)

Key figures

Group (Thousand euros)	1-3/2022	1-3/2021	Change-%	1-12/2021
Net sales	9 237	7 520	22,8	34 072
EBITDA	651	350	86,0	2 410
% of net sales	7,0	4,7		7,1
EBIT	245	-40	714,9	1 186
% of net sales	2,7	-0,5		3,5
Profit for the period	104	-99	204,8	653
% of net sales	1,1	-1,3		1,9
Earnings per share, EUR	0,01	-0,01		0,09
Equity ratio, %	37,2	42,3		37,5
Net gearing, %	111,7	83,8		113,6
Return on equity, %	4,2	-4,1		6,6
Return on investment, %	4,6	-0,8		5,5
Balance sheet total	26 792	22 762	17,7	26 380
Average number of employees	121	124	-2,4	127

Corona pandemic has affected the Finnish Foodservice for two years

- The Foodservice net sales in Finland grew by 5,9 percent in 2021 but it was at 12,7 percent lower level than before the Corona pandemic in 2019 (PTY statistics)
- The Corona pandemic has forced Fodelia to expand it's business to wider range of customers
 - The incorporation of E-commerce business and investments in E-commerce business have been important
 - We have also invested to operating in care-sector (Feelia and Fodbar)
- The impacts of Corona pandemic are believed to reduce during 2022 and due that the market development should return to normal

Development of Foodservice market in Finland

- Foodservice market net sales grew by 21,7 per cent between January-March in Finland
- In March 2022 the growth was 45,8 per cent compared to previous year
- Source: PTY (<https://www.pty.fi/foodservice-tukkukaupan-liikevaihto-kasvoi-maaliskuussa-458-prosenttia-edellisvuodesta/>)

Fodelia has taken major steps yet more responsible operations



- We have told that we are aiming for carbon neutrality by 2035
- Feelia has accomplished the carbon footprint calculation of first products
- Also Real Snacks' classic product Oikia Spicy Matilda has gotten the Climate Smart -profile
- Our goal is to finish the carbon footprint calculation for all the products in 2022
- The information is about to be brought to packagings in 2023

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Business development

Real Snacks



Net sales in Real Snacks own brands have continued to grow

- Real Snacks' net sales during profit period remained at approximately same level compared to year before
- Normal seasonal changes affected the business
- Net sales in own brands have continued to grow
- Relative profitability has improved

Key figures / Real Snacks

TEUR	1-3/2022	1-3/2021	Change-%	1-12/2021
Net sales	1 856	1 891	-1,9	8 077
EBIT	74	73	0,7	304
% of net sales	4,0	3,9		3,8



Feelia and FodNet



The net sales of Feelia and FodNet still in strong growth

- The combined net sales of Feelia and FodNet grew by **47** per cent during the profit period
- The combined EBIT of Feelia and FodNet grew by almost **23** per cent during the profit period

Key figures/ Feelia and FodNet (FodNet was incorporated from Feelia 1.5.2021)

TEUR	1-3/2022	1-3/2021	Muutos-%	1-12/2021
Net sales	6 016	4 085	47,3	19 519
EBIT	287	234	22,7	1 898
% of net sales	4,8	5,7		9,7



Feelia's Foodservice net sales in strong growth

- In January-March Feelia's Foodservice net sales grew by 41 per cent compared to same period the year before
- The growth was due to positive market development and new care-sector clients
- New comprehensive care-sector clients were acquired during the profit period

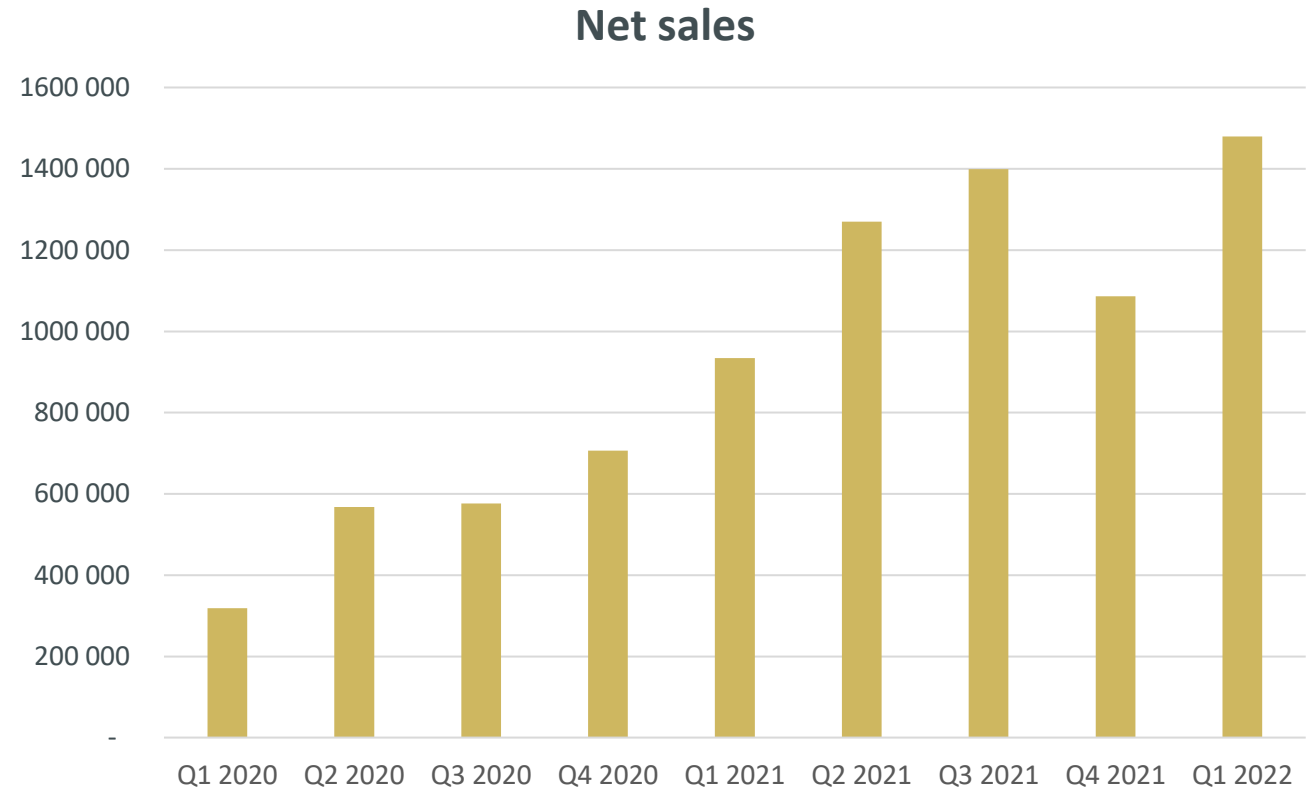


FodNet Oy – Feelia E-commerce

- Net sales of the Feelia E-Commerce grew by 58 % on the previous year in Q1
- The company is undergoing robust development
- There is reorganisation in logistics and the online platform is being improved
- Continued strong growth is expected



The development of Feelia E-commerce net sales



Perniön Liha and Pita Factory



Perniön Liha and Pita Factory

- The net sales of Perniön Liha and Pita Factory reduced 12 per cent during the profit period
- Normal seasonal changes affected Perniön Liha's and Pita Factory's business during the profit period
- Because Easter, was in April this year, Q1 figures are not readily comparable to the previous year
- Perniön Liha has sought improved cost-efficiency through logistics reforms in the first quarter
- Pita Factory acquired a new production and packaging line to upgrade operations

Key figures / Perniön Liha and Pita Factory

TEUR	1-3/2022	1-3/2021	Change-%	1-12/2021
Net sales	1 381	1 569	-12,0	6 697
EBIT	-53	-31	-71,7	136
% of net sales	-3,9	-2,0		2,0



Fodbar



Fodbar is a solution for outsourcing municipal food services

- Fodbar combines the expertise of Fodelia's subsidiary Feelia Oy and Barona HoReCa Oy, part of the Bravedo Group
- Pre-cooked food producer Feelia is responsible for producing nutritionally diverse, vacuum cooked products with consistent quality, and brings in expertise in the food service market and food products. Barona HoReCa is responsible for staffing services and ensures the availability and competence of personnel as well as cost-effective and functional staffing processes

Current model of municipal food services

- ✓ Central kitchen
- ✓ Food preparation kitchen
- ✓ Distribution kitchen

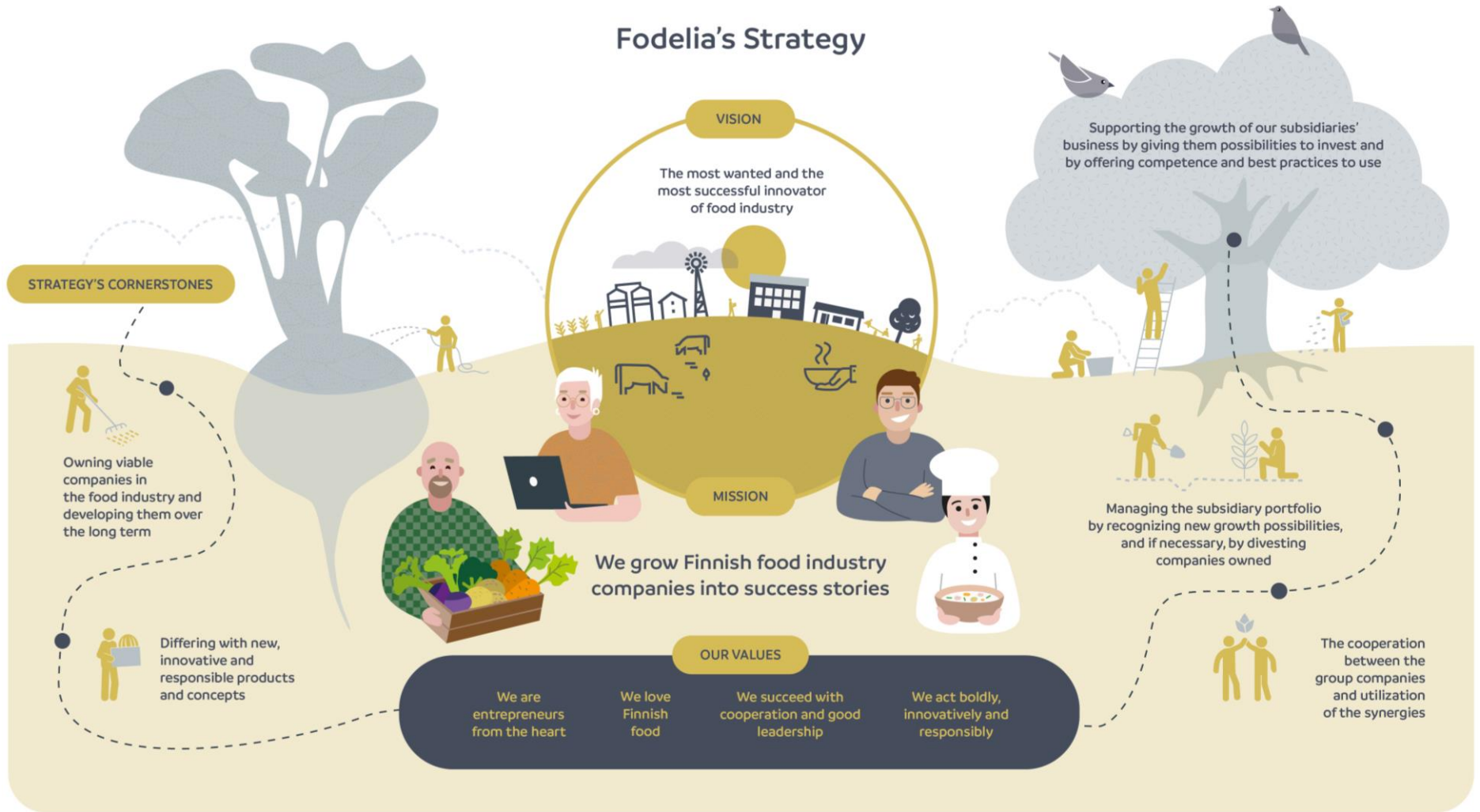
Fodbar's model

- ✓ Feelia's factory
- ✓ Service kitchen
- ~~Central kitchen~~
- ~~Food preparation kitchen~~

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Strategy and future

Fodelia's Strategy



Effects of Ukraine's war to Fodelia

Risen raw-material costs can bring challenges to business

- Fodelia does not have any business operations in Russia or Belarus
- The war in Ukraine has indirect impacts on Fodelia for example via risen cost prices. There can also be challenges in availability of raw materials
- The risk is managed for example with longer purchase agreements, product range changes in ready meal business and active price negotiations with customers

Updated long-term targets and outlook for 2022

Long-term targets

The Group's net sales in 2026 are over EUR 100 million

The Group's operating margin is approximately 8-10%

The group's return on investment is over 10%

The interest-bearing debts to ebitda are under 3.

Dividend policy

Fodelia strives to distribute at least 35% of its earnings as dividends to shareholders.

Outlook for 2022

The company's management estimates the Group's net sales in 2022 to be approximately EUR 40–50 million. EBIT and relative profitability are expected to improve from 2021. There is uncertainty involved in the outlook because of the possible continuation and re-escalation of the coronavirus pandemic and the impacts of the war in Ukraine on material prices and availability and on prices in general.

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**Events after the period under review
and Q&A**

Fodelia's annual general meeting 2022

- The annual general meeting was held 12th of April 2022 without the presence of shareholders due to so-called temporary law (375/2021)
- The annual general meeting adopted the financial statements and resolved to discharge from liability for CEO and Board of directors
- The annual general meeting decided to pay dividend of 0,04 eur per share from the accounting period 2021. The dividend will be paid at 17th of May 2022
- Helene Auramo, Marc Moberg, Markku Lampela, Mikko Paso and Eero Raappana were selected again to the Board of directors, and Emma Tahkola was selected as a new member to the board.
- The annual general meeting authorized the Board to decide about acquisition of maximum amount of 500 000 own shares in one or multiple series
- The annual general meeting authorized the Board to decide about a directed share issue of maximum amount of 700 000 own shares in one or multiple series for fee or for free
- Minutes of the annual general meeting can be found from Fodelia's website (in Finnish)

CEO of Fodelia's subsidiary Real Snacks Oy has resigned

- Member of Fodelia's management group and the CEO of Fodelia's subsidiary Arja Kastarinen has resigned and will leave the company to work for another employer at last in October 2022
- The search for her follower has started immediately



Q&A



Thank you!



Kotimaista kasvuvoimaa

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