



**GROUP NET SALES FOR JANUARY–JUNE INCREASED
BY 22% AND PROFITABILITY IMPROVED**

Half-year report January-June 2022

10th of August 2022

CEO Mikko Tahkola and CFO Kati Kokkonen



We grow Finnish food industry companies into success stories. Our goal is to be the most wanted and most successful innovator of food industry

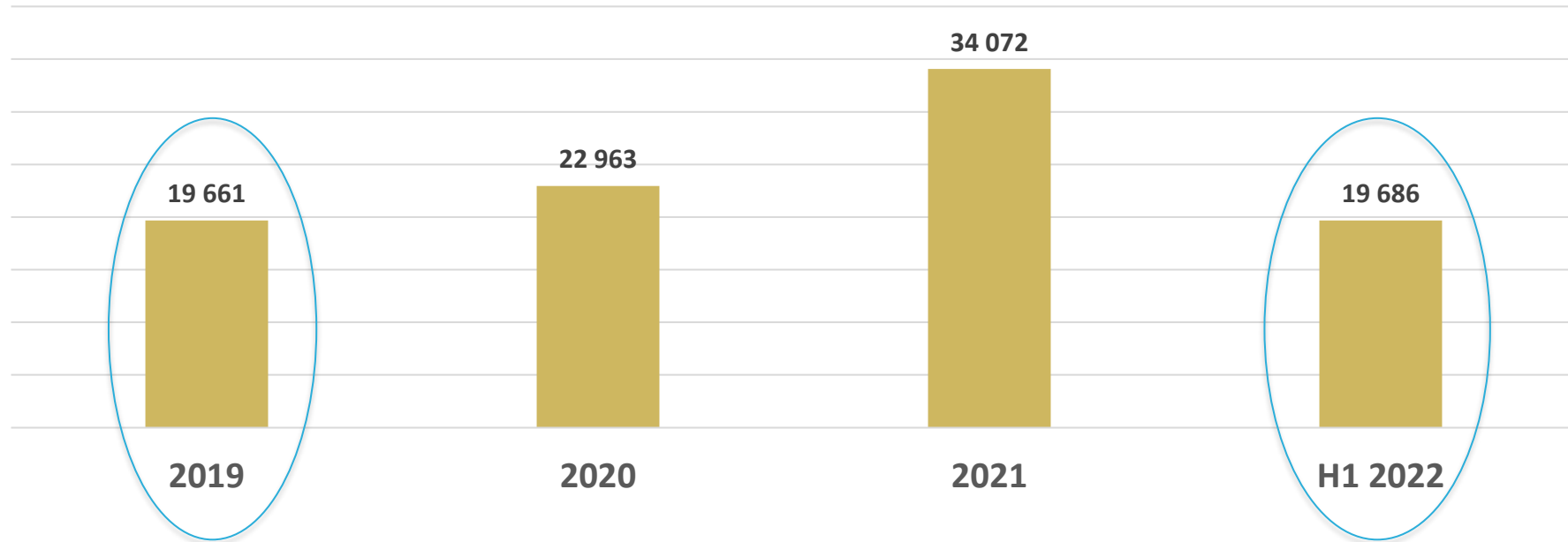
Half-year highlights

- The Group's net sales grew by 22.0% from January through June and 21.3% from April through June
- The easing of pandemic restrictions has allowed the Foodservice Market to grow
- However, the significant price increases pose challenges for the development of profitability

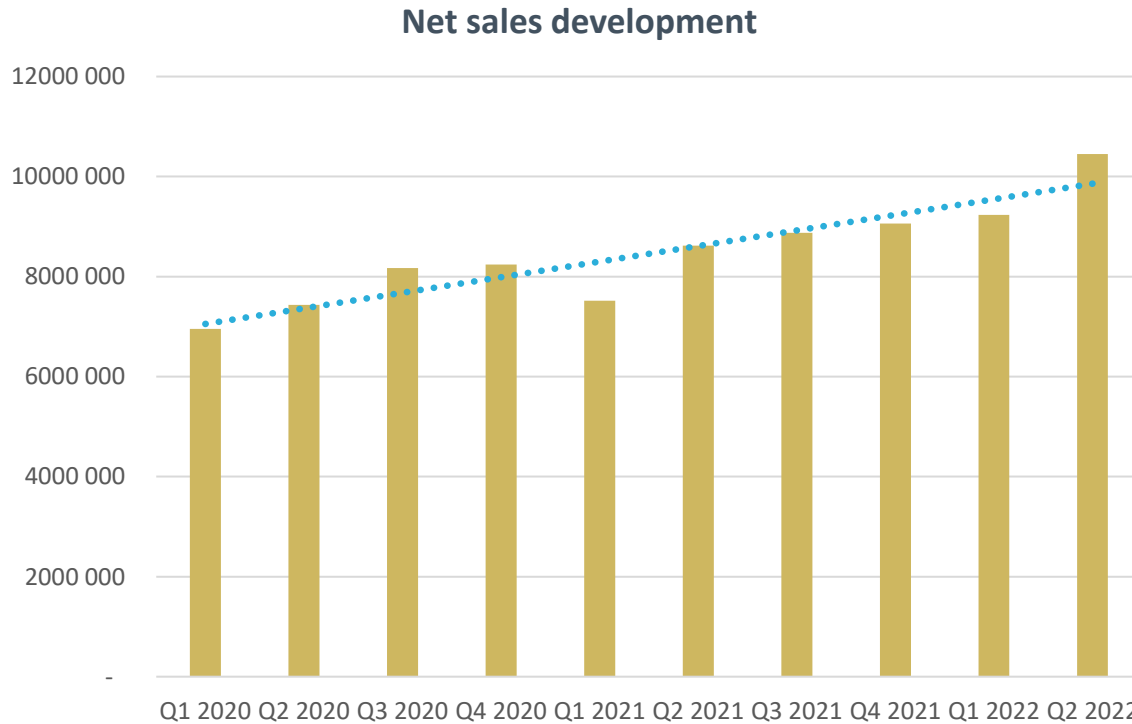
Fodelia Group Thousand euros	4-6/2022	4-6/2021	Change-%	1-6/2022	1-6/2021	Change-%	1-12/2021
Net sales	10,449	8,617	21.3	19,686	16,136	22.0	34,072
EBITDA	421	432	2.6	1,072	782	37.0	2,410
EBIT	5	121	-95.7	250	81	209.0	1,186
Average number of employees	137	136	0.7	133	131	1.5	127

The Group's net sales from January through June already exceed the entire net sales of 2019.

Net sales development 2019-H1/2022

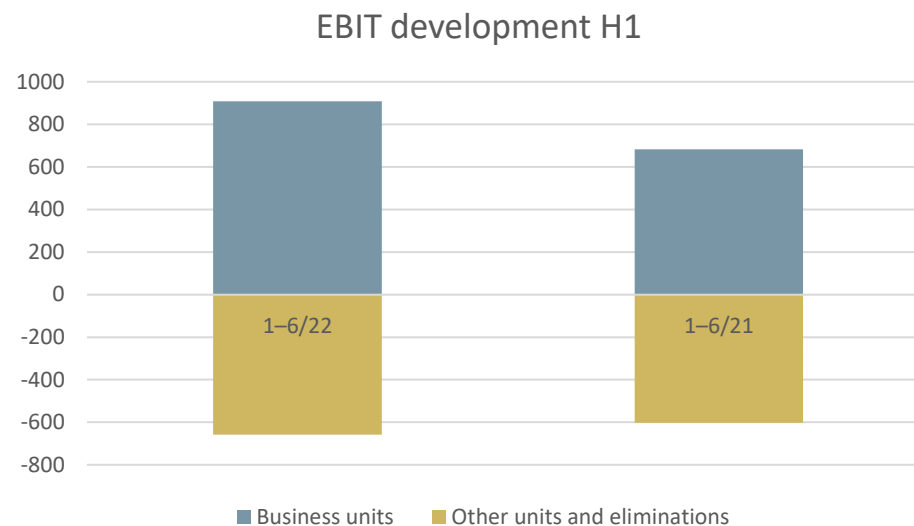
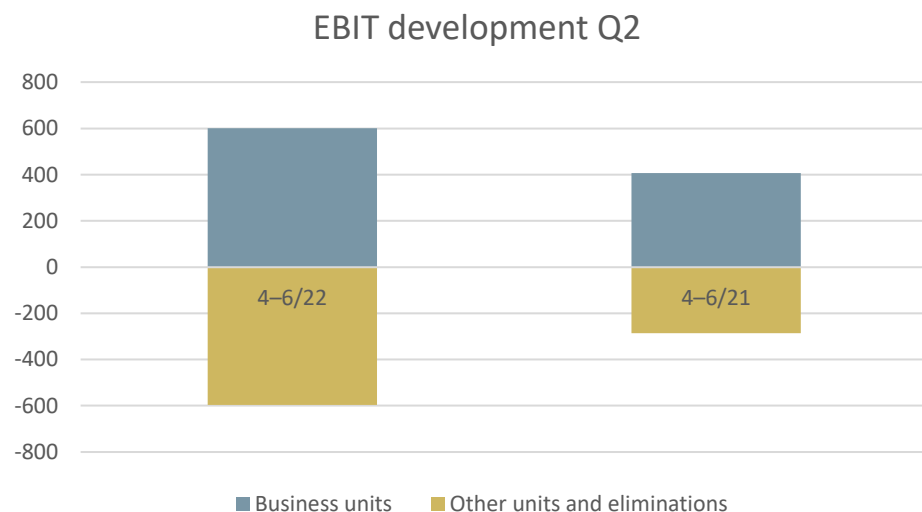


Fodelia's net sales development from 2020 to 2022



- The net sales during the second quarter was the highest in the history of Fodelia group

The business operations' EBIT development

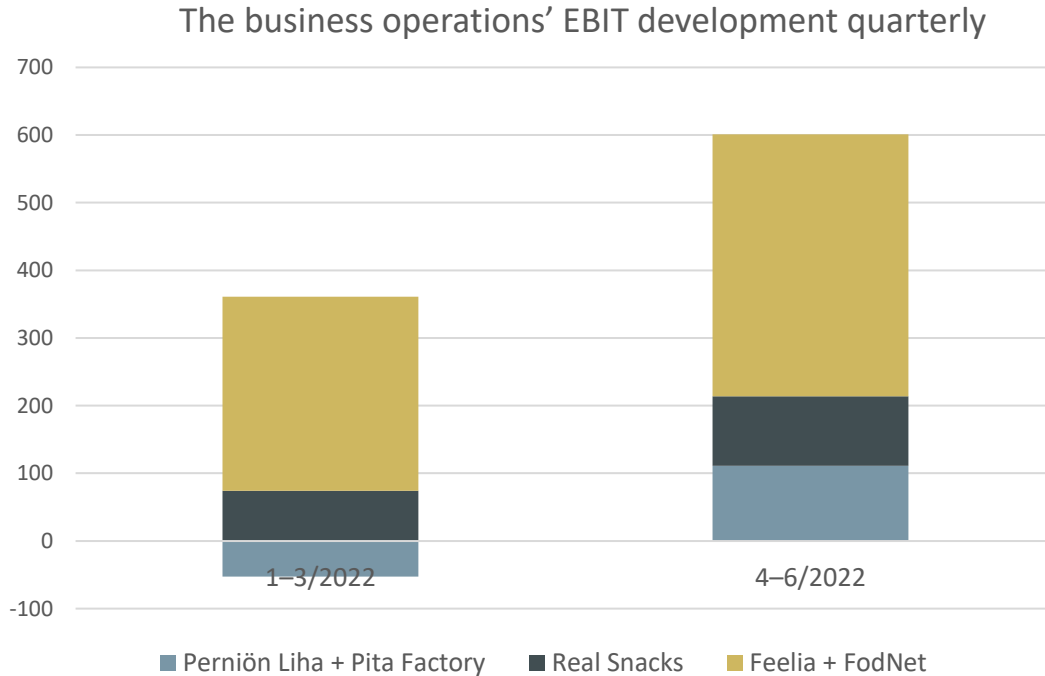


The EBIT of business companies grew by **48 %**

- The Group's profits were reduced by the parent company and joint venture's costs during the second quarter and the eliminations and goodwill amortisations falling between quarters

The EBIT of business companies grew by **33 %**

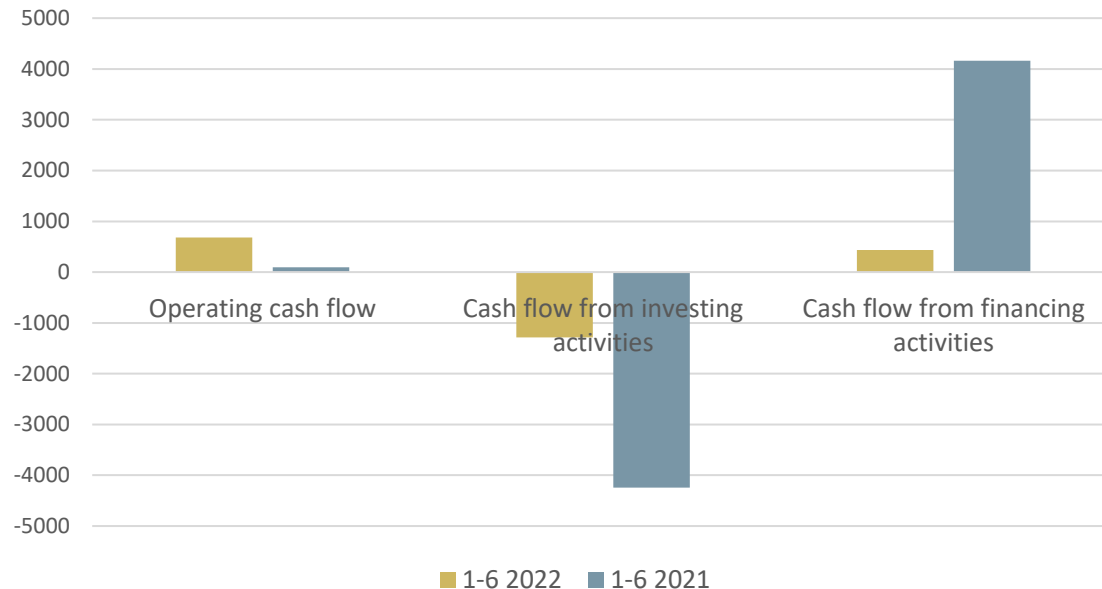
The business operations' EBIT development quarterly



- The business operations' profitability increased during the second quarter
- The EBIT of business operations' grew by 95 %

The group's cash flow statement

The group's cash flow



- Operating cash flow increased, and the amounts of investments decreased significantly

Key figures

Group	4-6/22	4-6/21	Change %	1-6/22	1-6/21	Change %	1-12/21
Net sales in thousands of euros	10,449	8,617	21.3	19,686	16,136	22.0	34,072
EBITDA in thousands of euros	421	432	2.6	1,072	782	37.0	2,410
% of net sales	4.0	5.0		5.4	4.9		7.1
EBIT in thousands of euros	5	121	-95.7	250	81	209.0	1,186
% of net sales	0.0	1.4		1.3	0.5		3.5
Profit for the period in thousands of euros	-74	51	-244.0	30	-48	162.7	653
% of net sales	-0.7	0.6		0.2	-0.3		1.9
Earnings per share, EUR	-0.01	0.01		0.00	-0.01		0.09
Equity ratio, %	34.6	35.8		34.6	35.8		37.5
Net gearing, %	125.9	110.6		125.9	110.6		113.6
Return on equity, %	-3.1	2.2		0.6	-1.0		6.6
Return on investment, %	2.2	2.3		2.3	0.8		5.5
Balance sheet total in thousands of euros	27,728	25,568	8.4	27,728	25,568	8.4	26,380
Average number of employees	137	136	0.7	133	131	1.5	127

A photograph of three children running through a field of golden wheat at sunset. The child on the right is wearing an orange 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 and a building under a warm, golden sky.

News from business operations

Feelia's net sales are in strong growth, FodNet's growth has slowed down

- The combined net sales of Feelia and FodNet grew by 38,9 from January through June
 - The combined EBIT of the companies grew by 42,1 %
- From April to June 2022 the combined net sales of the companies grew by 31,7 %
 - The combined EBIT grew by 61,2 %

The key figures / Feelia and FodNet

(FodNet was incorporated from Feelia 1.5.2021)

Thousand euros	4-6/2022	4-6/2021	Change-%	1-6/2022	1-6/2021	Change-%	1-12/2021
Net Sales	6 331	4 806	31,7	12 347	8 891	38,9	19 519
EBIT	387	240	61,2	674	474	42,1	1 898
% of Net Sales	6,1	5,0		5,5	5,3		9,7





Feelia's Foodservice business is in strong growth

- Feelia's Foodservice net sales grew by 41.7% from January through June
- During the review period, Feelia's Foodservice business was supported by the easing of pandemic restrictions
- The market's recovery to the pre-pandemic levels of 2019 also supported the business development
- We have succeeded in improving business profitability despite a sharp increase in costs

Feelia gained significant new Foodservice clients during the review period

- Feelia signed an agreement with Vantaan Tilapalvelut Vantti Oy for the delivery of meal components to Vantti Oy's locations
 - According to Vantti's estimate, the total value of the procurement over four years is EUR 10–12 million
 - Thanks to the agreement, Vantti's selection will include more than 40 products delivered by Feelia
- In addition, Feelia was chosen as the meal service partner of the nationwide care sector service provider Validia Oy
 - The cooperation covers the care unit's entire meal day
 - Validia is now Feelia's single largest client in the care sector



Feelia offers a wide range of healthy semicooked meals



Healthy semicooked food with no added additives



The products made with autoclave technique in vacuum are high-quality, have long best-before dates and they fit in small storage



The products are ready to be served after quick heating and finishing

With Feelia's products you need less time, investments, costs and personnel in food preparation





Feelia E-Commerce (FodNet) has been in the midst of a period of transformation.

- Feelia Ruokakauppa's net sales grew by 26.9% from January through June in comparison to the same period during the previous year
- The rate of growth has slowed, and internal growth targets have not been achieved in full
- As a result, measures have been taken to trim business costs
- Food e-commerce remains an exciting business sector

Real Snacks' profitability improved

- Real Snacks's net sales grew by 1.9% from January through June
- The company's profitability improved, with its EBIT growing by 7.6%
- From April through June, the company's net sales grew by 5.4%, and its EBIT improved by 13.1%
- The company has successfully increased the share of its own products in its net sales and obtained contracts that are better for profitability in terms of private label brands
- The business has been affected by spikes in the cost of raw ingredients, materials, energy and transport during the period under review

The key figures / Real Snacks

Thousand euros	4-6/2022	4-4/2021	Change-%	1-6/2022	1-6/2021	Change-%	1-12/2021
Net Sales	2 109	2 001	5,4	3 965	3 892	1,9	8 077
EBIT	103	91	13,1	177	164	7,6	304
% of net sales	4,9	4,5		4,5	4,2		3,8





The combined profitability of Perniön Liha and Pita Factory improved

- The net sales of Perniön Liha and Pita Factory from January through June were slightly lower than those of the previous year
 - The profitability improved
- Perniön Liha's net sales saw positive development from April through June
 - The company has improved its products' position in shops' selections
- The operations of Pita Factory have been developed by investing in a new production line
- The businesses has been affected by spikes in the cost of raw ingredients, materials, energy and transport during the period under review
- Companies have worked closely and actively with customers to negotiate prices

Key figures / Perniön Liha and Pita Factory

Thousand euros	4-6/2022	4-6/2021	Change-%	1-6/2022	1-6/2021	Change-%	1-12/2021
Net Sales	2 008	1 865	7,7	3 389	3 434	-1,3	6 697
EBIT	111	76	46,6	57	44	29,1	136
% of Net Sales	5,5	4,1		1,7	1,3		2,0

Fodbar is an easy and cost-effective 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.
 - As a national operator, Barona HoReCa is responsible for staffing services and ensures the availability and competence of personnel as well as cost-effective and functional staffing processes.
- The Group’s joint venture Fodbar’s business has not been launched in the planned timeframe and scope, and it is currently still affecting the Group’s performance trends negatively.
- We still see much potential in the company’s operations, but obtaining contracts and launching operations in the planned scope takes time

Current model of municipal food services

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

Fodbar’s model

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

Fodelia's solutions for public food services



1

Single products from Feelia

2

Outsourcing food preparation to Feelia

3

Outsourced service including food and staff from Fodbar

Municipal savings are expected to create new demand for food services

The reformation of health care and social welfare starts a major change in the market

The market for public sector food services

School meals

- Number of customers: around 1.75 million customers per day
- Number of meals: 368 million meals per school year (10 months)
- Market size: 283 million euros per year

Health care sector

- Number of customers: 70,000 customers per day
- Number of meals: 76 million meals per year
- Market size: 340 million euros per year



Feelian offering for social services and care

- 1 Regular products
- 2 Special diet products
- 3 Texture-modified foods
- 4 **Entire meal day (Case Eteva and Validia)**



The effects of the war in Ukraine to Fodelia's business

- The effects of the war in Ukraine on the price and availability of materials and prices in general
- The significant price increases pose challenges for the development of profitability
- The rapid increase in the cost of raw ingredients, materials, transport and energy requires frequent price negotiations and improvements in the efficiency of the company's own operations

We have taken major steps towards yet more responsible activities

- We have told that we are aiming for carbon neutrality by 2035
- In autumn 2021 we started collaboration with Biocode community with the target of calculating our products' carbonfootprints
- Real Snacks has accomplished the carbon footprint calculation of all of its products
- Our goal is to finish the carbon gootprint calculation for all the products in 2022
- The information is about to be brought to packagings in 2023



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.

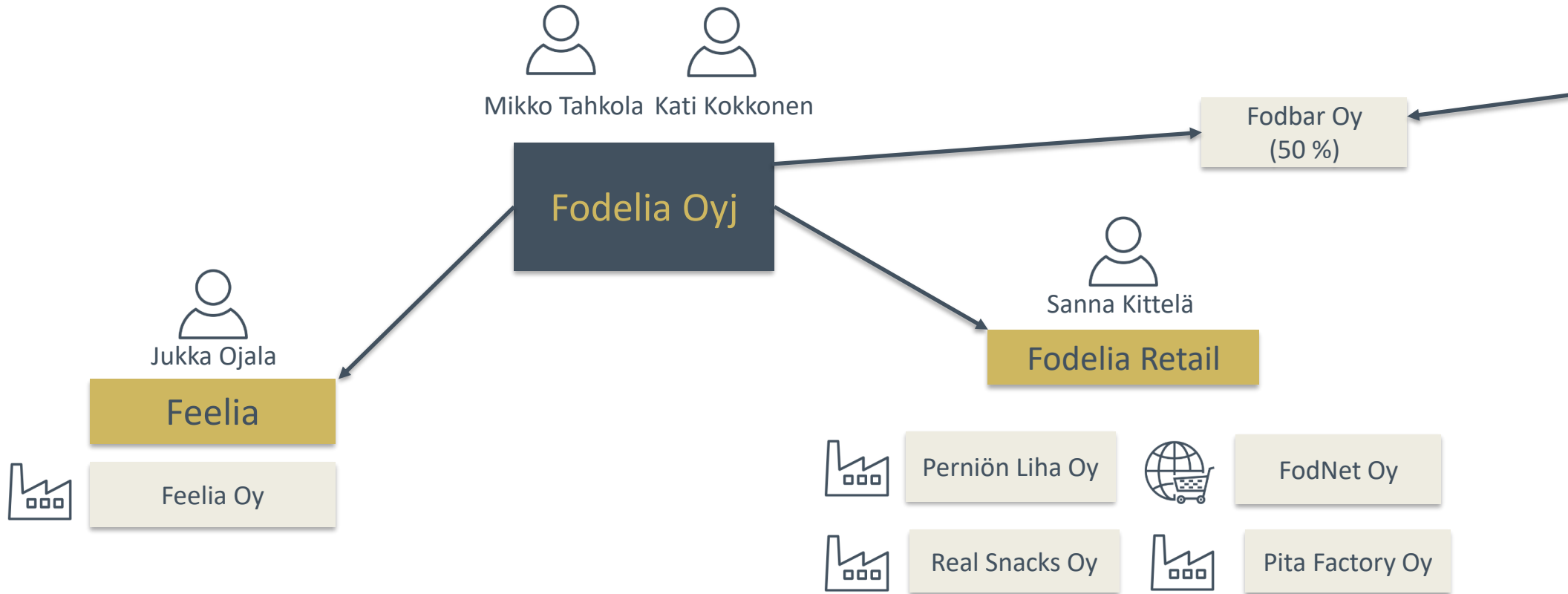
Outlook for 2022

The company management estimates the Group's net sales in 2022 at approximately EUR 40–50 million. EBIT and relative profitability are expected to improve from 2021. The effects of the war in Ukraine on the price and availability of materials and prices in general, as well as possible new restrictions in response to the pandemic, have created a degree of uncertainty in the outlook.

Changes in steering model and in management group

- Starting 1 July 2022, Fodelia's business areas are Feelia and Fodelia Retail
 - Feelia focuses on Foodservice market customers
 - Fodelia Retail business area combines FodNet's (Feelia Ruokakauppa), Real Snacks', Perniön Liha's and Pita Factory's businesses
 - Fodelia Retail focuses on retail clients and an online shop aimed at consumers
 - With the changes to the business structure, our goal is to make functions more efficient and streamlined and achieve cost savings
- **Fodelia Group's published financial figures will be presented in accordance with the new structure after the change**
- We will start planning a merger to combine the Fodelia Retail units to one legal company

Fodelia group's business structure from 1 July 2022



Fodelia's management group starting 1st of July 2022



CEO Mikko Tahkola



CFO Kati Kokkonen



CEO of FodNet Oy, Real Snacks Oy, Perniön Liha Oy, and Pita Factory Oy, Leader of Fodelia Retail Sanna Kittelä



CEO of Feelia Jukka Ojala

Q&A



Thank you!

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