

FODELIA GROUP FINANCIAL STATEMENTS RELEASE for 1 January-31 December 2022 (unaudited)

FODELIA GROUP'S NET SALES GREW BY 23% IN JANUARY-DECEMBER, INCREASED COSTS DECREASED PROFITABILITY

KEY POINTS OF THE FINANCIAL STATEMENTS RELEASE

This financial statements release is unaudited. Unless otherwise stated, figures in parentheses refer to the corresponding period in 2021 in the same unit.

Summary of January–December 2022

- Group net sales grew by 23.0% and amounted to EUR 41,621 thousand (EUR 33 843 thousand)
- Group EBITDA was EUR 2,870 thousand and 6.9% of net sales (EUR 2,599 thousand and 7.7% of net sales)
- Group EBIT was EUR 1,107 thousand and 2.7% of net sales (1,375 thousand and 4.1% of net sales)
- The Group's profit for the period was EUR 8 thousand and 0.0% of net sales (EUR 653 thousand and 1.9% of net sales)

Summary of July–December 2022

- Group net sales grew by 25.2% and amounted to EUR 22,190 thousand (EUR 17,719 thousand)
- Group EBITDA was EUR 1,594 thousand and 7.2% of net sales (EUR 1,741 thousand and 9.8% of net sales)
- Group EBIT was EUR 652 thousand and 2.9% of net sales (1,219 thousand and 6.9% of net sales)
- The Group's profit for the period was EUR -23 thousand and -0.1% of net sales (EUR 700 thousand and 4.0% of net sales)

Summary of October–December 2022

- Group net sales grew by 26.2% and amounted to EUR 11,266 thousand (EUR 8,928 thousand)
- Group EBITDA was EUR 1,000 thousand and 8.9% of net sales (EUR 765 thousand and 8.6% of net sales)
- Group EBIT was EUR 502 thousand and 4.5% of net sales (401 thousand and 4.5% of net sales)
- The Group's profit for the period was EUR 13 thousand and 0.1% of net sales (EUR 174 thousand and 2.0% of net sales)

The Board of Directors proposes a dividend of EUR 0,03 per share. In Addition, The Board of Directors proposes to The General meeting, that The General Meeting powers The Board of Directors to make a decision on an additional dividend maximum of EUR 0.03 per share.

Outlook for 2023

The company's management estimates the Group's net sales in 2023 to be at approximately EUR 45–52 million. Operating profit margin is estimated to increase from the previous year.

The effects of the war in Ukraine on the price and availability of materials and prices in general, as well as possible new restrictions due to the pandemic, result in a degree of uncertainty in the outlook.

Key figures

Group	10-12/ 2022	10-12/ 2021	Change -%	7-12/ 2022	7-12/ 2021	Change -%	1-12/ 2022	1-12/ 2021	Change -%
Net sales	11,266	8,928	26.2	22,190	17,719	25.2	41,621	33,843	23.0
EBITDA	1,000	765	30.7	1,594	1,741	-8.5	2,870	2,599	10.4
% of net sales	8.9	8.6		7.2	9.8		6.9	7.7	
EBITA	613	481	27.4	853	1,378	-38.1	1,468	1,695	-13.4
% of net sales	5.4	5.4		3.8	7.8		3.5	5.0	
EBIT	502	401	25.2	652	1,219	-46.5	1,107	1,375	-19.5
% of net sales	4.5	4.5		2.9	6.9		2.7	4.1	
Profit for the period	13	174	-92.5	-23	700	-103.3	8	653	-98.8
% of net sales	0.1	2.0		-0.1	4.0		0.0	1.9	
Earnings per share, EUR	0.00	0.02		0.00	0.09		0.0	0.09	
Equity ratio, %	46.8	37.9		46.8	37.9		46.8	37.9	
Net gearing, %	45.5	114.0		45.5	114.0		45.5	114.0	
Return on equity, %	0.4	7.1		-0.4	14.2		0.1	6.6	
Return on investment, %	5.1	6.3		4.1	10.4		3.3	5.9	
Balance sheet total	27,548	26,094	5.6	27,548	26,094	5.6	27,548	26,094	5.6

CEO MIKKO TAHKOLA:

The year 2022 will be remembered as an exceptional time. The uncertainty created by the war in Ukraine and extremely high inflation posed significant business challenges. Like many other food companies, Fodelia Group suffered from the sharp rise in costs. The strong increase in the costs of raw materials, materials, freight and energy decreased the profitability of the Group's companies. For contractual reasons, the increase in costs has been transferred into sales prices with a delay, with the most recent major price increases entering into force on 1 January 2023.

On the other hand, 2022 was a year of strong growth and development for Fodelia. The Group's net sales continued to grow steadily, and we gained new customers and developed our operations. In addition, Marjvasu Oy joined the Group through an acquisition on 31 August 2022, which expanded our product range and allows us to offer an even better service concept to current and future customers.

Fodelia Group's net sales for January–December increased by 23.0% compared to the previous year. In addition to sales successes, the growth was supported by an upturn in the foodservice market, an important segment for Fodelia. In January–December 2022, net sales of foodservice wholesale market increased by 16.1% from the previous year (Finnish Grocery Trade Association PTY). The fast-moving consumer goods market grew by 3.3% in January–December 2022 (Finnish Grocery Trade Association PTY).

The net sales of Feelia, which operates in the Foodservice sector, grew faster than the market average. The company's net sales increased by 25.7%. Feelia gained several new customers in the care sector in 2022, and the

company's sales to the school sector also increased significantly. Feelia has continued to grow at a strong, steady pace despite the challenging operating environment in recent years, and the company's growth prospects remain very good. Growth is supported by the shortage of labour affecting the entire Foodservice sector, which means that there is a demand for Feelia's concept that reduces the labour needs of public sector customers, for example.

In 2022, more than 28 million meals were prepared at Feelia's processing plant in Pyhäntä. The processing plant's production process has been developed over the autumn, which has further improved security of supply and enables us to meet the growth outlook for 2023 without significant investments. In the longer term, possible investment in a new production plant to meet the growing demand for vegetarian and fish products will come under consideration.

The net sales of Fodelia Retail, which focuses on consumer business, grew by 12.6% in 2022. The business segment was formed as a result of an organisational reform on 1 July 2022, in which Real Snacks Oy, Perniön Liha Oy, Pita Factory Oy and FodNet Oy were merged. The reorganisation has resulted in the desired improvement in efficiency and reduced the amount of overlapping work in the units. The business segment's operational result has already improved in the second half of the year, but the cost savings brought about by the reorganisation will not be fully visible until 2023. An interesting addition to Fodelia Retail's operations are Feelia's ready-to-eat meals launched early in the year 2023. The meals are sold to grocery stores through the business segment.

The customer portfolio of our joint venture Fodbar increased significantly during the past year. Long-term development and investments made at Fodbar are bearing fruit. The company's net sales are estimated to reach nearly EUR 10 million, and the result is expected to turn profitable during 2023.

The ERP project launched in the Group in 2021 has progressed well, enabling even better knowledge-based management. The new ERP system was introduced at Feelia in April and is in the final stages of deployment at Perniön Liha and Pita Factory. In Real Snacks the ERP system was introduced already in year 2021.

At the end of the year, we announced a sale-leaseback arrangement of Feelia's processing plant property in Pyhäntä. The completed arrangement improved the Group's liquidity, lowered debt-to-equity ratio and provided cash and cash equivalents to finance future growth.

We want to thank our customers, employees and partners for the past year. Although we faced unexpected challenges, we are heading into 2023 with a positive outlook. The worst spike in inflation seems to have subsided, and costs such as energy have already begun to turn down. The development and adjustment measures implemented in the Group will enable more profitable growth in the future.

STRATEGY AND FINANCIAL TARGETS

Fodelia is a holding company of a number of Finnish food companies. Our mission is to grow Finnish food companies into success stories. Our vision is to be the most attractive and successful food industry innovator.

Fodelia's strategy is to own viable companies in the food industry and develop them over the long term. Fodelia stands out with new, innovative and responsible products and concepts. Our strategy includes cooperation between Group companies and making the most out of synergies. Fodelia supports the growth and development of its subsidiaries' business by providing investment opportunities, expertise and best practices available to Group

companies. In addition, Fodelia seeks to manage its portfolio of subsidiaries by identifying new growth opportunities and, if necessary, divesting its owned companies.

The company's long-term financial targets are:

- Group net sales target of over EUR 100 million in 2026.
- Group operating profit margin of approximately 8–10%.
- Group return on investment of over 10%.
- Group interest-bearing liabilities in relation to EBITDA less than 3.
- The company strives to distribute at least 35% of its earnings as dividends to shareholders.

The presented targets are not forecasts of the company's future development.

BUSINESS DEVELOPMENT DURING THE REVIEW PERIOD

Trends in net sales

Group net sales increased in January–December by EUR 7,778 thousand or 23.0% year-over-year and amounted to EUR 41,621 thousand (EUR 33,843 thousand). Net sales grew especially in Feelia's Foodservice business.

In October–December, the Group's net sales grew by 26.2% year-over-year and amounted to EUR 11,266 thousand (EUR 8,928 thousand).

Net sales by unit	10-12/ 2022	10-12/ 2021	Change -%	7-12/ 2022	7-12/ 2021	Change -%	1-12/ 2022	1-12/ 2021	Change -%
Feelia	5,948	5,092	16.8	12,050	9,581	25.8	22,809	18,145	25.7
Fodelia Retail	5,096	4,791	6.4	10,362	9,906	4.6	20,478	18,186	12.6
Other units	941	92	924.8	1,359	144	846.6	1,581	286	453.2
Eliminations	-720	-1,046	31.2	-1,582	-1,912	17.3	-3,247	-2,774	17.1
Fodelia Group in total	11,266	8,928	26.2	22,190	17,719	25.2	41,621	33,843	23.0

Development of financial performance

In January–December, the Group's EBIT increased by EUR 268 thousand year-over-year and stood at EUR 1,107 thousand (EUR 1,375 thousand). The Group's EBITA for January–December stood at EUR 1,468 thousand and 3.5% of net sales (EUR 1 695 thousand and 5.0%).

Group EBIT in October–December was EUR 502 thousand (EUR 401 thousand), an increase of 25.2%. EBITA increased by 27.4% and amounted to 5.4% of net sales.

EBIT by unit	10-12/ 2022	10-12/ 2021	Change -%	7-12/ 2022	7-12/ 2021	Change -%	1-12/ 2022	1-12/ 2021	Change -%
Feelia	925	451	104.9	1,104	1,362	-18.9	2,005	1,767	13.5
Fodelia Retail	-115	205	-156.0	28	294	-90.3	36	571	-93.8
Other units and eliminations	-197	-175	-12.3	-280	-277	-0.8	-573	-643	10.9

Business result (EBITA)	613	481	27.4	853	1,378	-38.1	1,468	1,695	-13.4
Group's amortisation of goodwill	-111	-80	-38.7	-201	-160	-25.8	-361	-320	-12.9
Fodelia Group in total	502	401	25.2	652	1,219	-46.5	1,107	1,375	-19.5

The Group's result in October–December was affected by the capital gain of EUR 821 thousand from the sale of Feelia's property, as well as non-recurring restructuring and long-term employee commitment costs totalling EUR 432 thousand. The impact of non-recurring items on EBIT was EUR 389 thousand.

The Group's profit for October–December was EUR 8 thousand and (EUR 653 thousand). The result was reduced by the joint venture's negative result of EUR 461 thousand included in financial items and financing restructuring costs of EUR 89 thousand.

MAJOR EVENTS IN THE BUSINESS SEGMENTS

Feelia

Feelia's net sales grew by 25.7% in 2022. Net sales of the Foodservice segment increased by 39.5%, while intra-group sales increased by 8.1%. Feelia's operating profit in January–December excluding non-recurring items decreased year-over-year and was approximately 5.5% of EBIT. Feelia's profitability was burdened by strong increases in the costs of raw materials and shipping, which have not been fully exported to sales prices due to contractual practices. Some of the sales price increases have entered into force at the start of 2023.

In 2022, Feelia gained several new customers, the largest of which include Vantaan Tilapalvelut Vantti Oy and care service provider Validia Oy. The importance of the care sector to Feelia has grown significantly in recent years.

During the past year, Feelia has invested especially in the development of vegetarian and fish products, as well as measures to ensure more responsible operations. By developing the plant's operations, we have been able to further improve the security of supply and increase capacity.

In December 2022, a sale-leaseback arrangement was carried out for Feelia's processing plant in Pyhäntä. With the funds received from the sale of the property, Feelia reduced its interest-bearing debt by approximately EUR 3.5 million.

Fodelia Retail

The Group's consumer business companies merged into the Fodelia Retail business segment on 1 July 2022. The purpose of the new business structure is to obtain cost savings and improved operational efficiency. The integration into a unified business segment has progressed well, and a merger process is underway between Real Snacks Oy, FodNet Oy, Perniön Liha Oy and Pita Factory Oy.

Net sales of the business segment increased by 12.6% in 2022. The net sales of Feelia Ruokakauppa (FodNet Oy), which is part of the business segment, increased by 13.7%. The net sales development of retail companies Real Snacks Oy, Perniön Liha Oy and Pita Factory Oy was more moderate at 3.6%.

The business segment's profitability saw twofold development. Retail companies' EBIT excluding non-recurring items improved by 32.6%. Feelia Ruokakauppa's result was negatively impacted by strong growth investments in the early

part of the year. As the growth of e-commerce slowed down, adjustment measures were initiated that successfully improved profitability towards the end of the year.

Fodelia Retail's units underwent significant development measures during the past year. In 2022, Feelia Ruokakauppa invested in system development, including improving the usability of the e-commerce system. Pita Factory's processing plant in Jokioinen made significant investments in machinery and equipment. In addition, Pita Factory and Perniön Liha made preparations for the implementation of the Group's shared ERP system. There were also positive developments in terms of sales. Towards the end of the year, potato chip and snack producer Real Snacks entered into a significant new private label customer relationship.

Other units:

Marjavasu joined Fodelia Group through an acquisition on 31 August 2022. Joining the Group has brought new growth opportunities to the company and strengthened it in areas such as the sales organisation. Marjavasu's net sales in 2022 were EUR 3.1 million. Net sales from the period after joining Fodelia Group amounted to EUR 1.1 million.

Fodelia's joint venture Fodbar has got off to a good start in its business operations. The company won several new outsourcing customers this past year. Net sales in 2022 were still at a moderate level of approximately EUR 1.5 million, but the order backlog for 2023 indicates that net sales will multiply in 2023. Fodbar's result is presented in Fodelia Group's financial items.

COMPANY BALANCE SHEET, FINANCING AND CAPITAL EXPENDITURES

The Group's balance sheet total on 31 December 2022 was EUR 27,548 thousand (31 December 2021: EUR 26,094 thousand) The Group's equity ratio was 46.8% (31 December 2021: 37.9%) and net gearing ratio was 45.5% (31 December 2021: 114.0%).

The Group's liquid cash and cash equivalents at the end of the period amounted to EUR 1,540 thousand (EUR 136 thousand). As of 31 December 2022, the Group's available credit limit was EUR 1,500 thousand. Interest-bearing liabilities amounted to EUR 7,405 thousand (EUR 11,396 thousand).

In 2022, the company's net investments (without investment subsidies) amounted to EUR 2,100 thousand (2021: EUR 6,054 thousand)

On 16 December 2022, Feelia Oy, a subsidiary of Fodelia Oyj, completed a sale-leaseback arrangement of the Pyhätä processing plant property. The sale price of the plant property was EUR 6.63 million. The balance sheet value of the sold property was EUR 5.3 million. The sale of the processing plant property improved the Group's liquidity and reduced debt-to-equity ratio.

FINANCIAL REPORTING

In 2023, the company will publish the following financial releases and reports:

- Financial statements and annual report for the financial year 1 January–31 December 2022 will be published on Thursday, 9 March 2023.
- Business review for January–March will be published on Wednesday, 26 April 2023
- Business review for January–June will be published on Wednesday, 9 August 2023
- Business review for January–September will be published on Wednesday, 1 November 2023

All of the company's financial reports and releases will be published in Finnish and are available after publication on the company's website at www.fodelia.fi/en/investing-in-fodelia/.

The Annual General Meeting is scheduled to be held on 5 April 2023. The Board of Directors will convene the Annual General Meeting separately at a later date.

ACCOUNTING PRINCIPLES OF THE FINANCIAL STATEMENTS RELEASE

The figures in the financial statements release are unaudited and have been prepared in accordance with Finnish law (FAS). The figures in the financial statements release are presented in thousands of euros rounded from the exact figures.

Consolidated income statement

EUR thousands

	Fodelia Oyj 7-12/2022	Fodelia Oyj 7-12/2021	Fodelia Oyj 1-12/2022	Fodelia Oyj 1-12/2021
Net sales	22,190	17,719	41,621	33,843
Inventory change	-24	274	481	315
Production for own use	92		101	
Other operating income	995	99	1,052	178
Materials and services	-12,118	-9,660	-22,323	-18,230
Personnel expenses	-4,008	-2,981	-7,772	-5,905
Other operating income	-5,534	-3,710	-10,292	-7,602
EBITDA	1,594	1,741	2,870	2,599
Depreciation and amortization	-942	-523	-1,762	-1,224
EBIT	652	1,219	1,107	1,375
Financial income and expenses	-551	-266	-929	-421
Profit before taxes	101	952	178	954
Income taxes and deferred taxes	-124	-252	-170	-302
Profit for the period under review	-23	700	8	653

Consolidated balance sheet

EUR thousands

	Fodelia Oyj	Fodelia Oyj
	31 December	31 December
	2022	2021
Fixed assets		
Intellectual property rights	33	43
Goodwill	40	80
Consolidated goodwill	6,794	4,679
Other intangible assets and advances	1,577	1,124
Total intangible assets	8,444	5,926
Land and water areas	261	221
Buildings and structures	851	5,939
Machinery and equipment	6,803	5,909
Other tangible assets and advances	631	793
Total tangible assets	8,546	12,861
Receivables from associated companies		61
Other shares and interests	109	109
Other receivables	200	200
Total investments	309	370
Total fixed assets	17,300	19,157
Current assets		
Inventories	3,848	2,836
Sales and other receivables	4,861	3,965
Cash and cash equivalents	1,540	136
Total current assets	10,249	6,937
Total assets	27,548	26,094

Equity

Share capital	80	80
Other funds	12,334	9,000
Profit/loss for previous financial years	470	148
Profit/loss for the period	8	653
Total equity	12,893	9,881

Current liabilities

Interest-bearing liabilities	4,223	6,908
Other non-current liabilities	354	334
Total non-current liabilities	4,577	7,242

Interest-bearing liabilities	3,182	4,487
Advances received	2	
Payables	6,895	4,484
Total short-term current liabilities	10,078	8,971

Total current liabilities	14,656	16,213
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Total liabilities	27,548	26,094
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8 February 2023

BOARD OF DIRECTORS

Fodelia Oyj

Further information

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Fodelia in brief

“Fodelia grows Finnish food companies into flourishing international success stories so that consumers can enjoy locally and responsibly produced, clean food from known sources. The company's business segments are Fodelia Retail, which focuses on retail and consumer e-commerce, and Feelia, which serves clients in the foodservice market. Fodelia's portfolio also includes the juice producer subsidiary Marjasasu and the joint venture Fodbar, which provides food service outsourcing solutions. Companies owned by Fodelia are food industry pioneers who invest in innovative products, value-adding customer concepts and advanced manufacturing processes.”

www.fodelia.fi/en