



WE FUEL THE WORLD'S WELLNESS NEEDS

Func Food Group
Interim Report / Q3 2016

A woman with dark hair tied back, wearing a bright pink long-sleeved athletic top, black shorts, and red sneakers with teal accents, is in a low, forward-leaning stretch on a paved bridge. She is looking back over her shoulder towards the camera. The bridge has white metal railings and structural beams. The background shows a hazy landscape with hills under a bright, low sun that creates a lens flare effect.

FUNC FOOD

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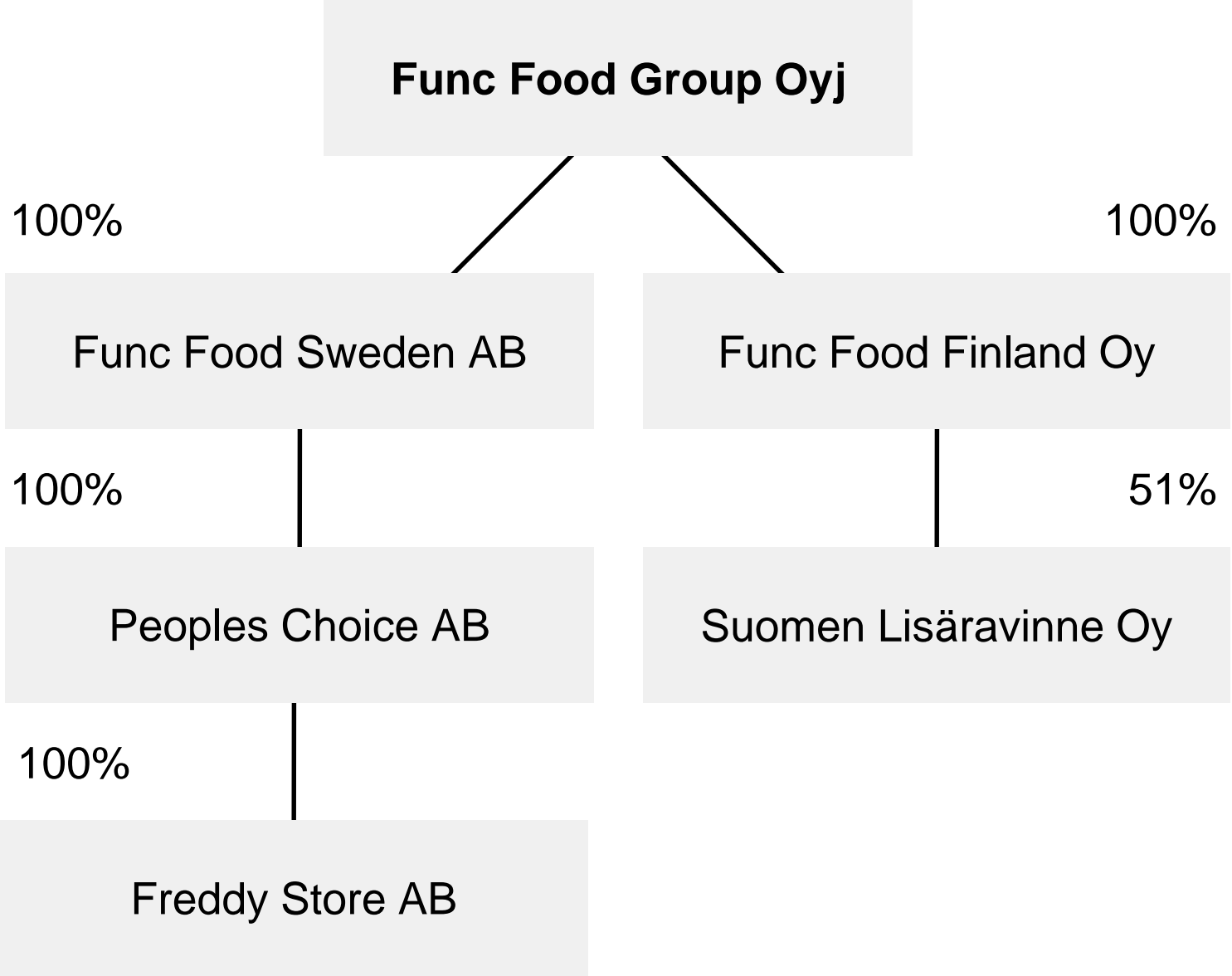
FUNC FOOD GROUP IN BRIEF

Func Food Group ("FFG") is a Nordic wellness company, which markets and distributes FAST, CocoVi, FitFarm, Celsius and Freddy brands in Finland and Sweden.

FFG was built in 2014 and 2015 through four acquisitions in Finland and Sweden. The current Group structure as depicted on the right has been in place since 1 July 2015.

In June the Group listed its senior secured callable floating rate bonds at Nasdaq OMX Stockholm Exchange and the first public trading day was June 23 2016.

In this quarterly report, consolidated figures for the Group and figures for the parent company are presented. The report has been prepared in accordance with IAS 34 following the same accounting principles as in the annual financial statements for 2015. The consolidated figures for the Group have been prepared according to the International Financial Reporting Standards (IFRS). The parent company figures have been prepared according to the Finnish Accounting Standards (FAS). Comparison figures include acquired companies' results from the date of their acquisition. In addition, when specifically mentioned, estimated pro forma financial information is provided, as if the current Group structure had been existent from 1 January 2015. The figures presented have not been subject to audit.



Structure of Func Food Group





SUMMARY

THIRD QUARTER 2016

- Consolidated Group revenues amounted to MEUR 10,6 (MEUR 10,4 in consolidated 2015).
- Revenues increased by MEUR 0,2 or 1,9% in comparison to 2015.
- Consolidated Group EBITDA amounted to MEUR 1,6 (MEUR 1,1 in consolidated 2015).
- EBITDA increased by MEUR 0,5 or 41,6% in comparison to 2015.
- EBITDA adjusted for items affecting comparability* was MEUR 1,5 in 2016 (MEUR 1,5 in 2015).

YEAR-TO-DATE SEPTEMBER 2016

- Consolidated Group revenues amounted to MEUR 31,6 (MEUR 20,6 in consolidated 2015 and MEUR 33,8 in pro forma 2015).
- Revenues increased by MEUR 11,0 or 53,3% in comparison to consolidated 2015 and decreased by MEUR 2,2 or 6,7% in comparison to pro forma 2015.
- Consolidated Group EBITDA amounted to MEUR 3,2 (MEUR 0,5 in consolidated 2015 and MEUR 2,6 in pro forma 2015).

- EBITDA increased by MEUR 2,7 or 594,7% in comparison to consolidated 2015 and increased by MEUR 0,5 or 20,6% in comparison to pro forma 2015.
- EBITDA adjusted for items affecting comparability* was MEUR 3,3 in 2016 (consolidated 2015 was MEUR 1,3 and pro forma 2015 was MEUR 4,1).

MANAGEMENT COMMENTS

In Q3 2016 the Group had a second consecutive positive quarterly EBITDA in both of its key markets Finland and Sweden. Revenue performance was mixed between the countries but overall the Group had a growth of 1,9%. Net revenue totaled MEUR 10,6 and EBITDA amounted to MEUR 1,6 (MEUR +0,5 vs PY). Our relative and absolute sales margins improved in both Finland and Sweden vs. the earlier quarter.

In Finland, net revenue continued to decline in Q3 (-14,6% vs. previous year (excluding intercompany net revenue)). The biggest driver in this development was partial discontinuation of private label sales, followed by a decline in the sales of FAST. The launch of Celsius beverages partly offset the decline in other parts of the portfolio. Sales margin-% increased vs. earlier quarters in 2016.

The decline of FAST was caused by a lack of campaign pressure in whey protein vs. the comparable period in 2015. However, FAST was able to maintain its market leader position in powder sports supplements.

The FAST products within the Lifestyle range showed positive development and the performance of NIX/NAX bars remained strong, thus bringing positive upside to the sports nutrition portfolio.

Total EBITDA in Finland amounted to MEUR 0,6 and adjusted EBITDA was MEUR 0,4 in the quarter. Items affecting comparability* included extraordinary income from unrealized additional purchase price related to CocoVi Import Oy acquisition in 2014. This extraordinary income amounted to KEUR 250.

In Sweden, Q3 was the strongest month for Celsius so far in 2016. Sales value out of the stores grew by 16,4% vs. PY (Nielsen). However, given the continued strong growth of the functional drinks category, this performance did not substantially change the share position compared to the same period last year. Q3 value share was reported with 16.7% (-0.1 ppt vs. PY) and volume share with 12.0% (+0.1 ppt vs. PY) (Nielsen). The result was driven by strong efforts from the field sales force resulting in high forward stock pressure and a very positive development of the latest launch Celsius Raspberry/Acai, which remained the second largest variant behind Citrus/Lime. In clothing business the FREDDY brand sales continued their downward trend from the previous quarter. Net revenue development of Freddy Store Ab was down 18,8% vs. 2015. Total EBITDA in Sweden was MEUR 1,0 and adjusted EBITDA was MEUR 1,0 in the quarter.

*The definition for Items affecting comparability is provided on page 16.

During Q3 2016 the retail market development in both our core markets has continued largely unchanged, with Finnish retail growing 3,3% vs. PY in September and +1,2% vs. PY during the period January-September. The September development was driven by the change in store opening hours and most predominantly in hypermarkets. Swedish retail grew +1% vs. PY in September, the YTD January-September growth being +3,6%.

The categories for Sports Nutrition and Superfoods are continuing on the same trends as in previous quarters; protein powders have shown growth in Q3 driven by new market entrants with strong focus on that category. Bars continue to lead the growth across the Finnish market.

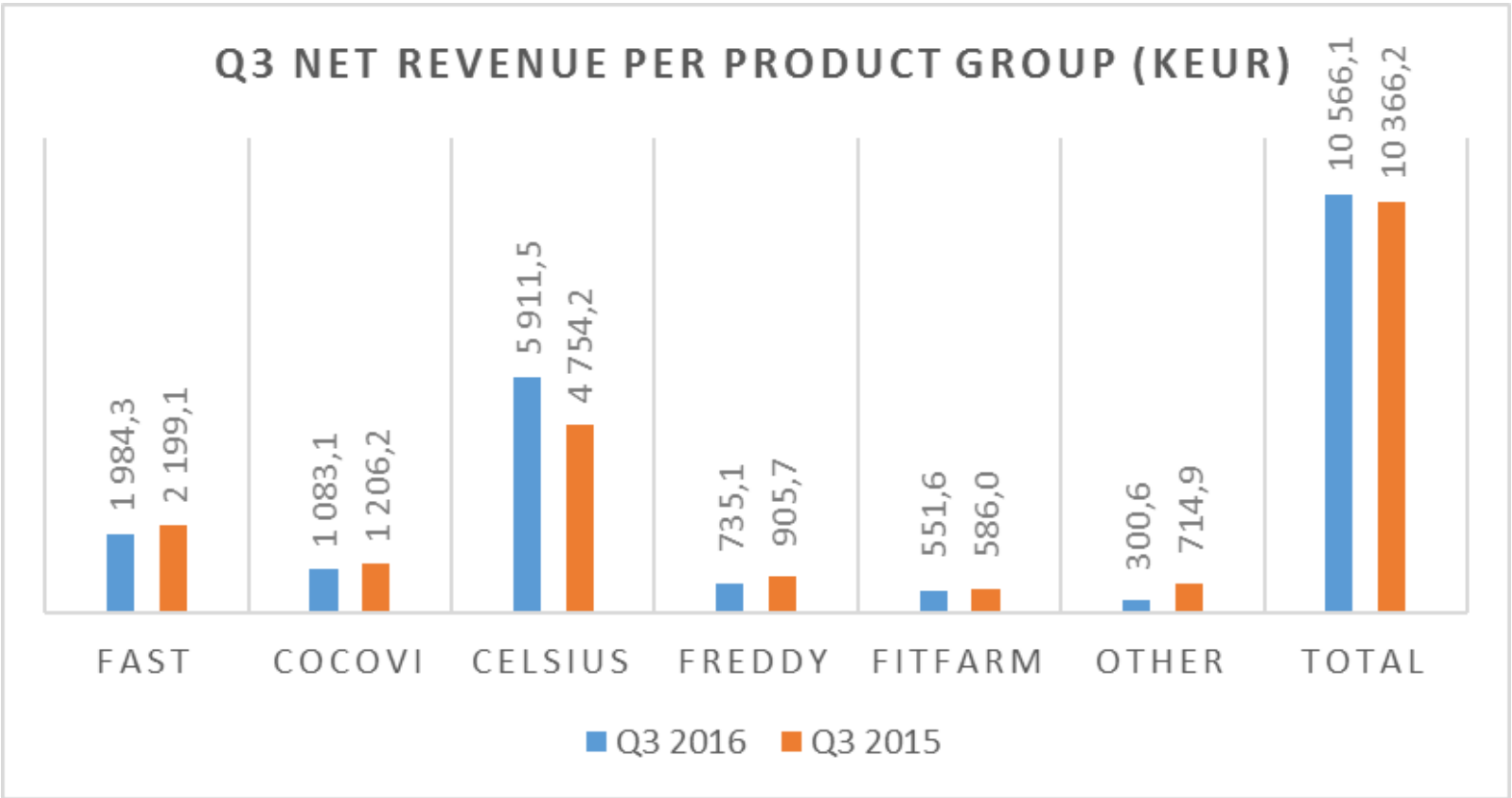
In Sweden, the launch rate in the category continues as it has done in previous quarters, however the trend of short product life cycles is becoming more apparent while the leading brands have maintained their position from the previous quarters.

The Group has been able to deliver reasonably solid performance across both countries in Q3, while initiating the retail introduction of FAST in Sweden late in the quarter, marking an important development step in the cross-sales strategy.

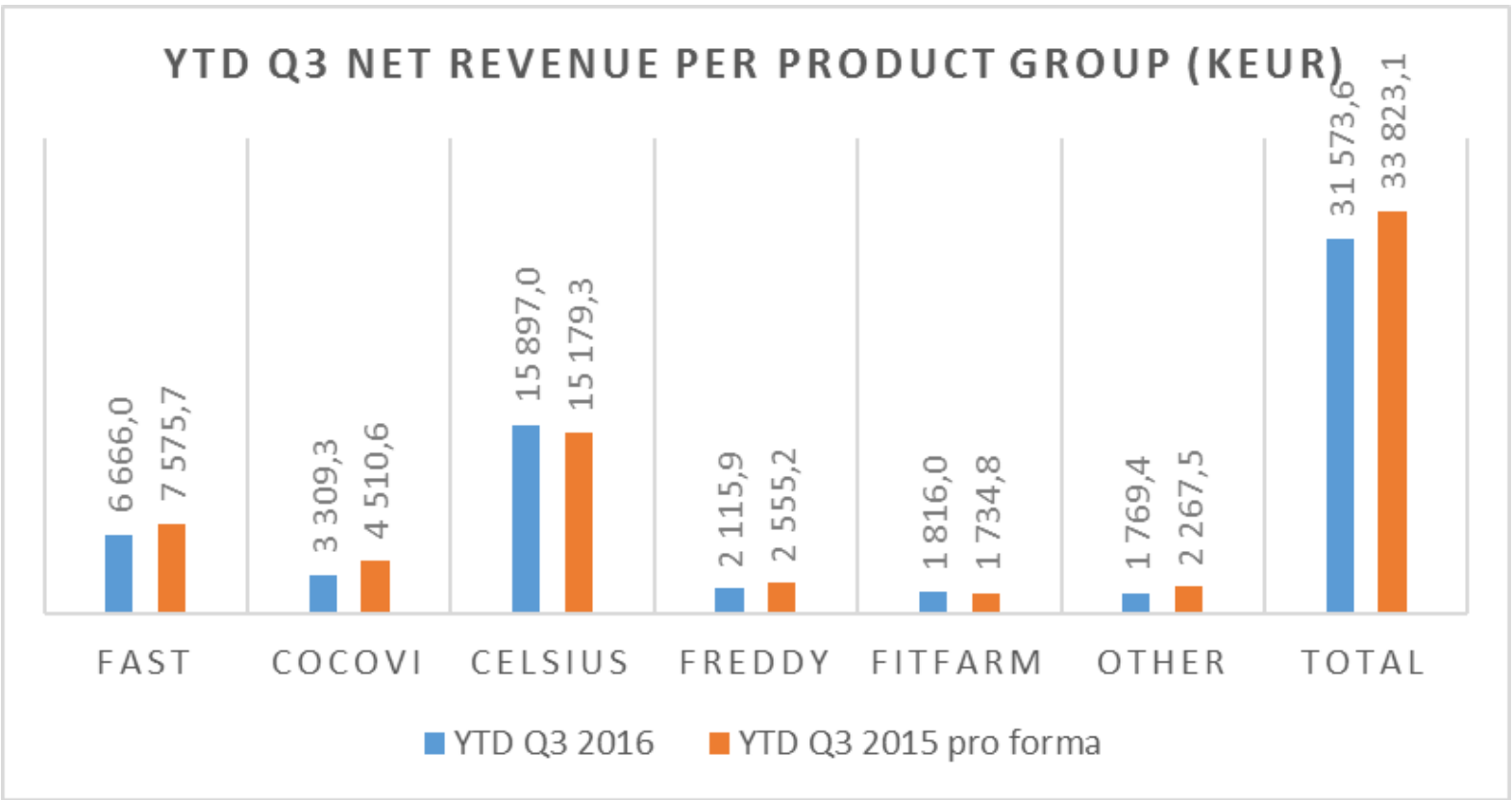
NET REVENUE

Net revenue in Finland declined mainly due to discontinuation of certain private label sales and decline in FAST. Sales volumes of the company’s core powder SKU’s decreased but the company recorded improved sales margins through increased share of small single serve packages, protein bars, and Celsius beverages. FAST Nix and Nax protein bars grew ca. 60% in volume vs. the previous quarter.

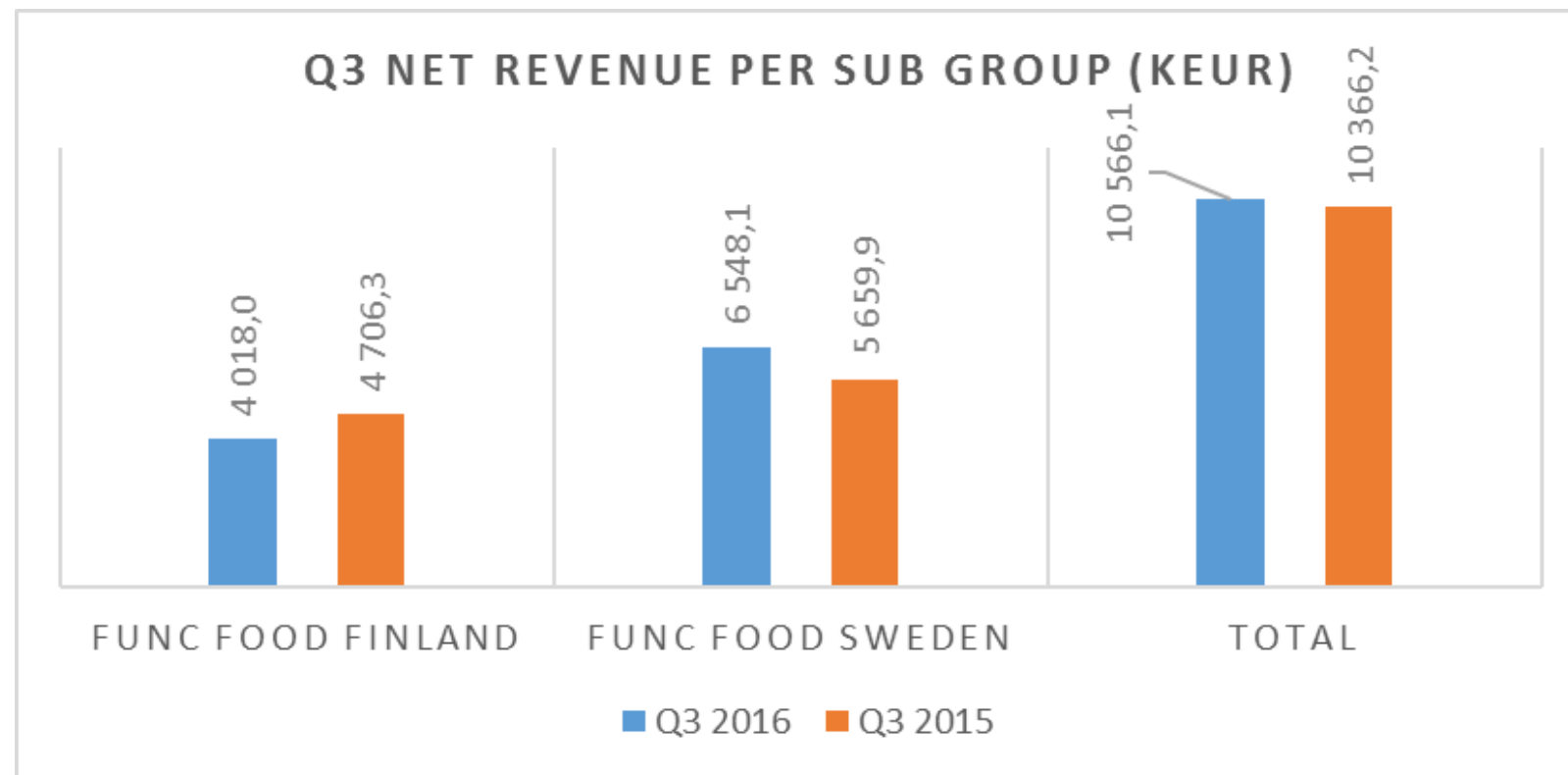
In Sweden total net revenues increased by 15,7% due to strong Celsius performance. Volume of Celsius grew by 24,4% vs. PY in Q3 and 6,0% YTD Q3. The strong sales efforts were supported by increased promotion pressure and the company was able to realize less revenue per consumer transaction than before. Net revenue from FAST was still small. Freddy sales were slow and the company recorded a net revenue of -18,8% vs. PY in the quarter.



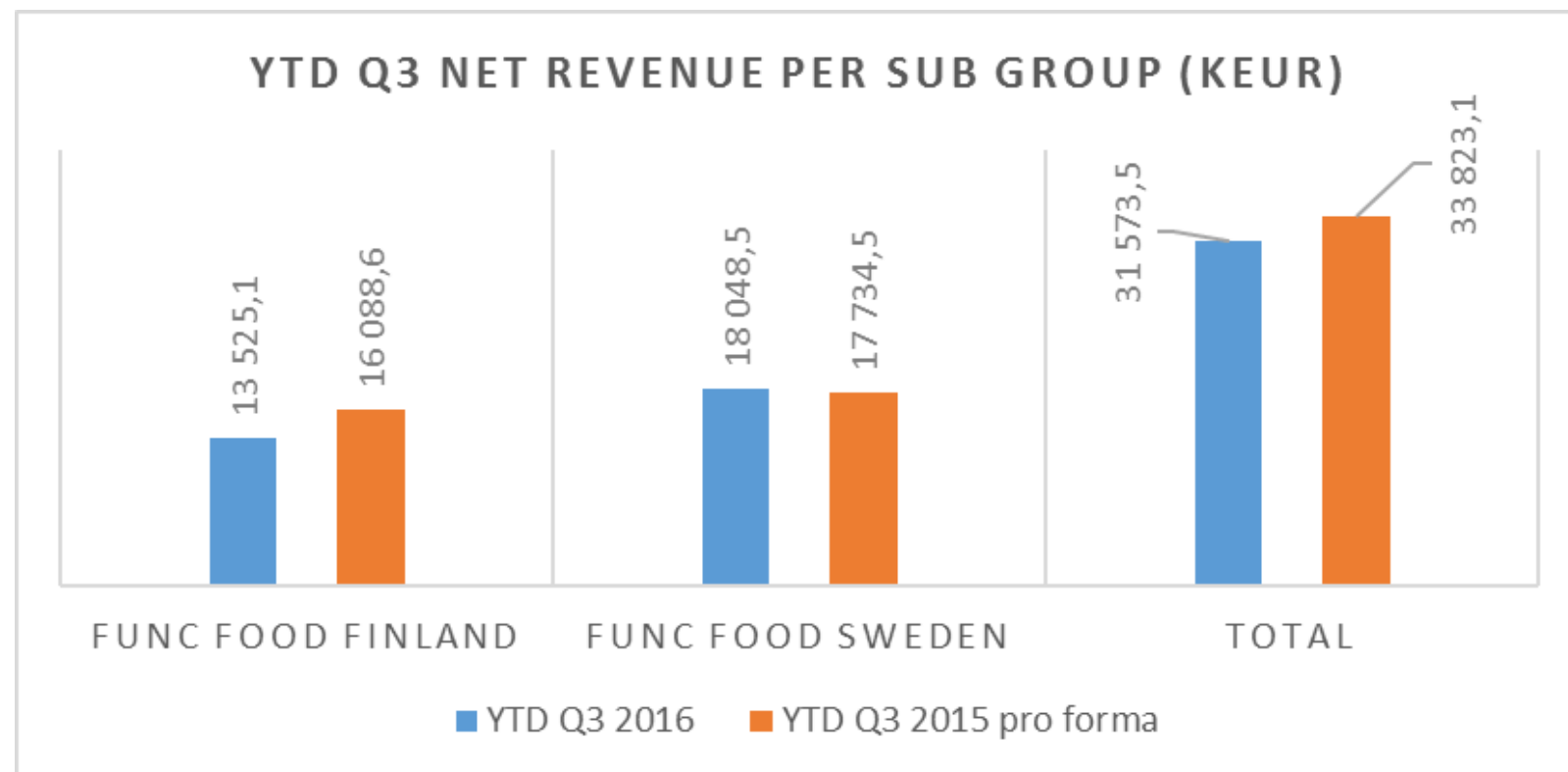
Net revenues per product group Q3 2016 vs. Q3 2015



Net revenues per product group YTD Q3 2016 vs. YTD Q3 2015 pro forma



Net revenues per sub group Q3 2016 vs. Q3 2015



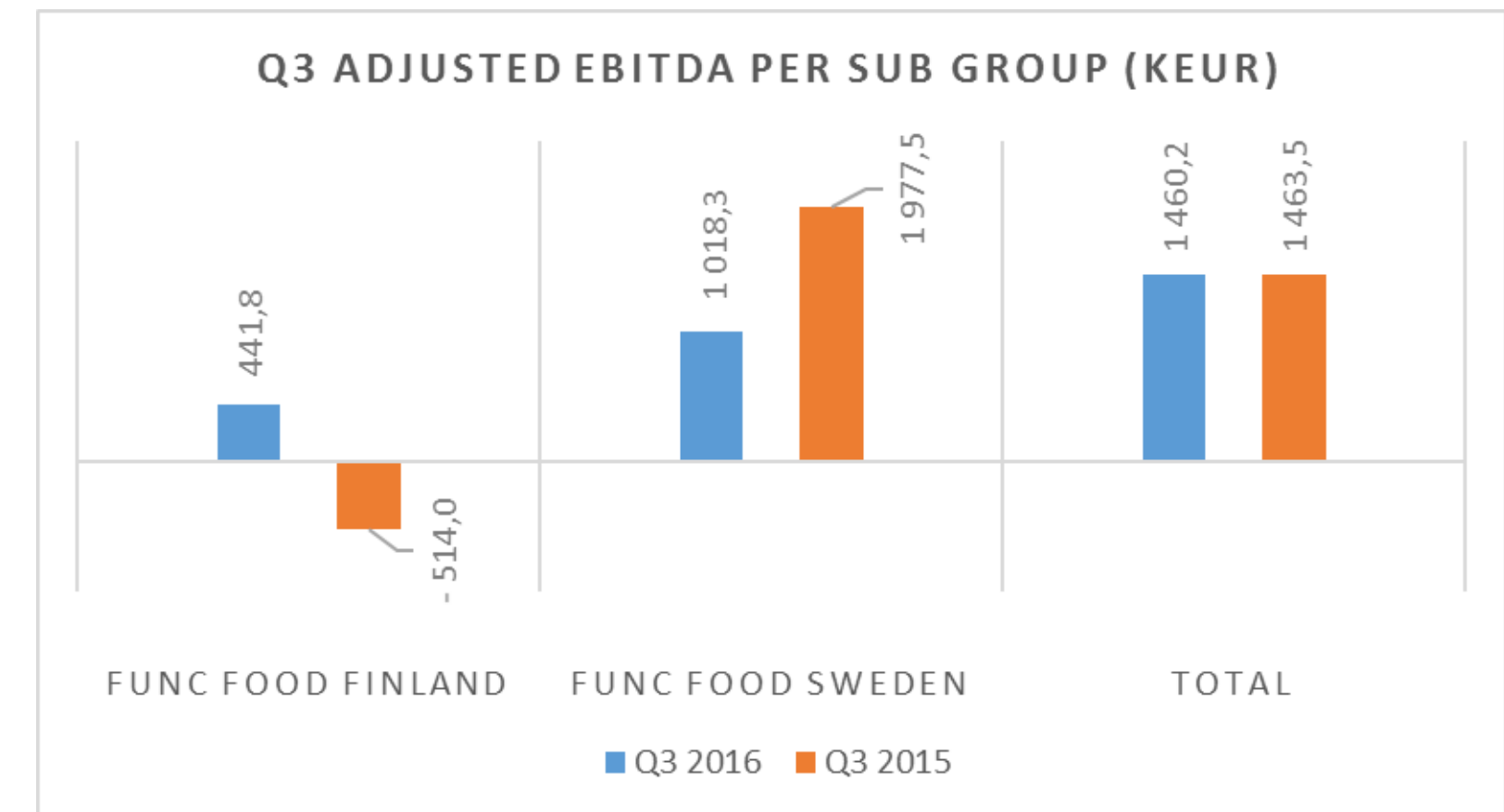
Net revenues per sub group YTD Q3 2016 vs. YTD Q3 2015 pro forma

EBITDA

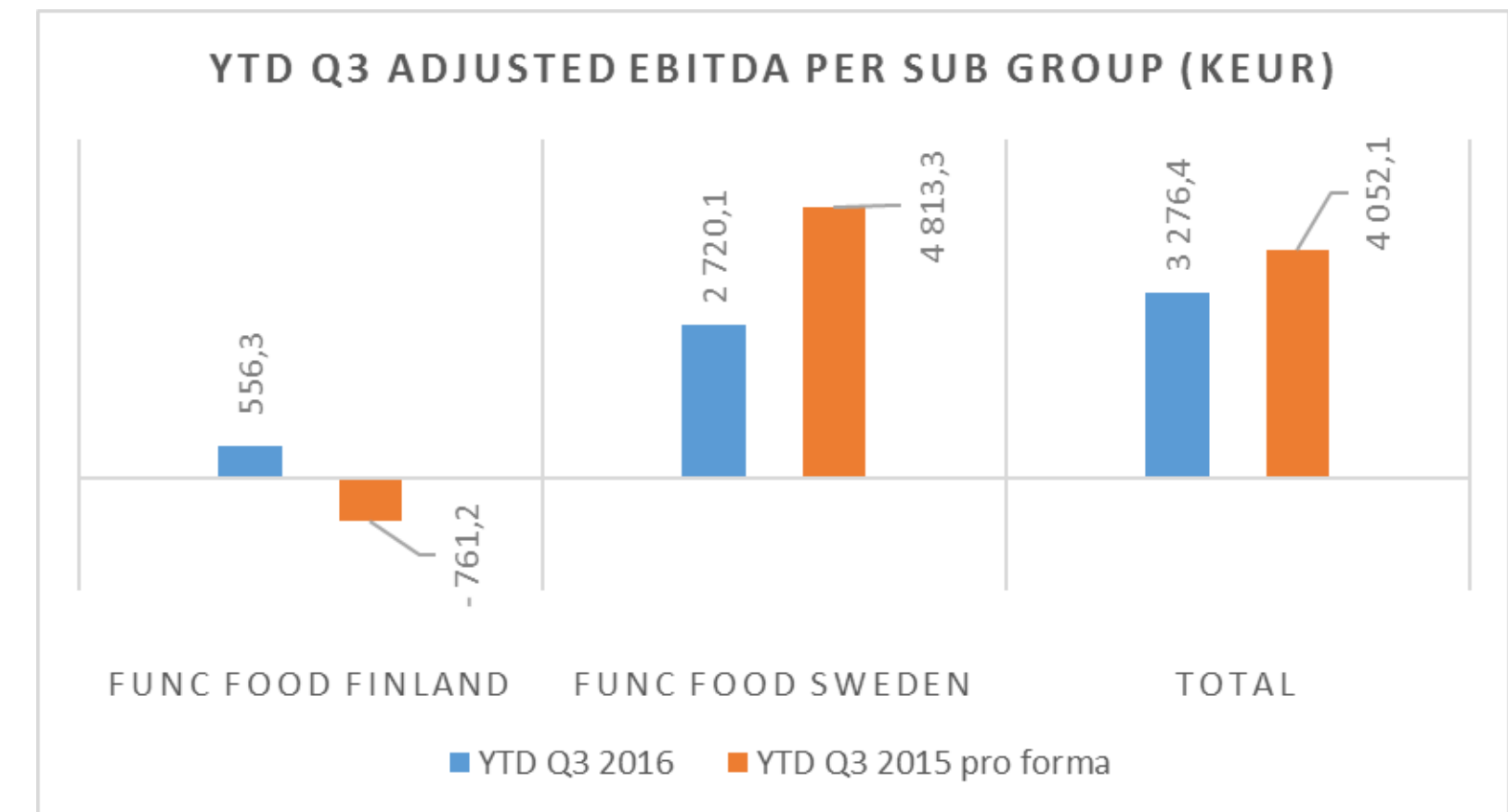
For the second consecutive quarter the Group had a positive EBITDA in both of its key markets in Q3 2016. In Finland CoGS and excise tax savings offset the decline in revenue. Excise taxes declined as the company's current beverage packaging is not impacted by the same environmental taxation as before. Operating expenses in the quarter declined vs. previous year due to lower personnel and professional services related costs. Items affecting comparability* amounted to ca. EUR -165.000. Total EBITDA in Finland for the quarter was MEUR 0,6 and adjusted EBITDA MEUR 0,4.

In Sweden the Q3 2016 EBITDA and adjusted EBITDA totaled MEUR 1,0 and declined vs. previous year's pro forma EBITDA. The decline was driven by higher CoGS per product sold, marketing, as well as increased operating expenses (personnel, professional services, and administration). Items affecting comparability* amounted to ca. 50.000 EUR.

*The definition for Items affecting comparability is provided on page 16.



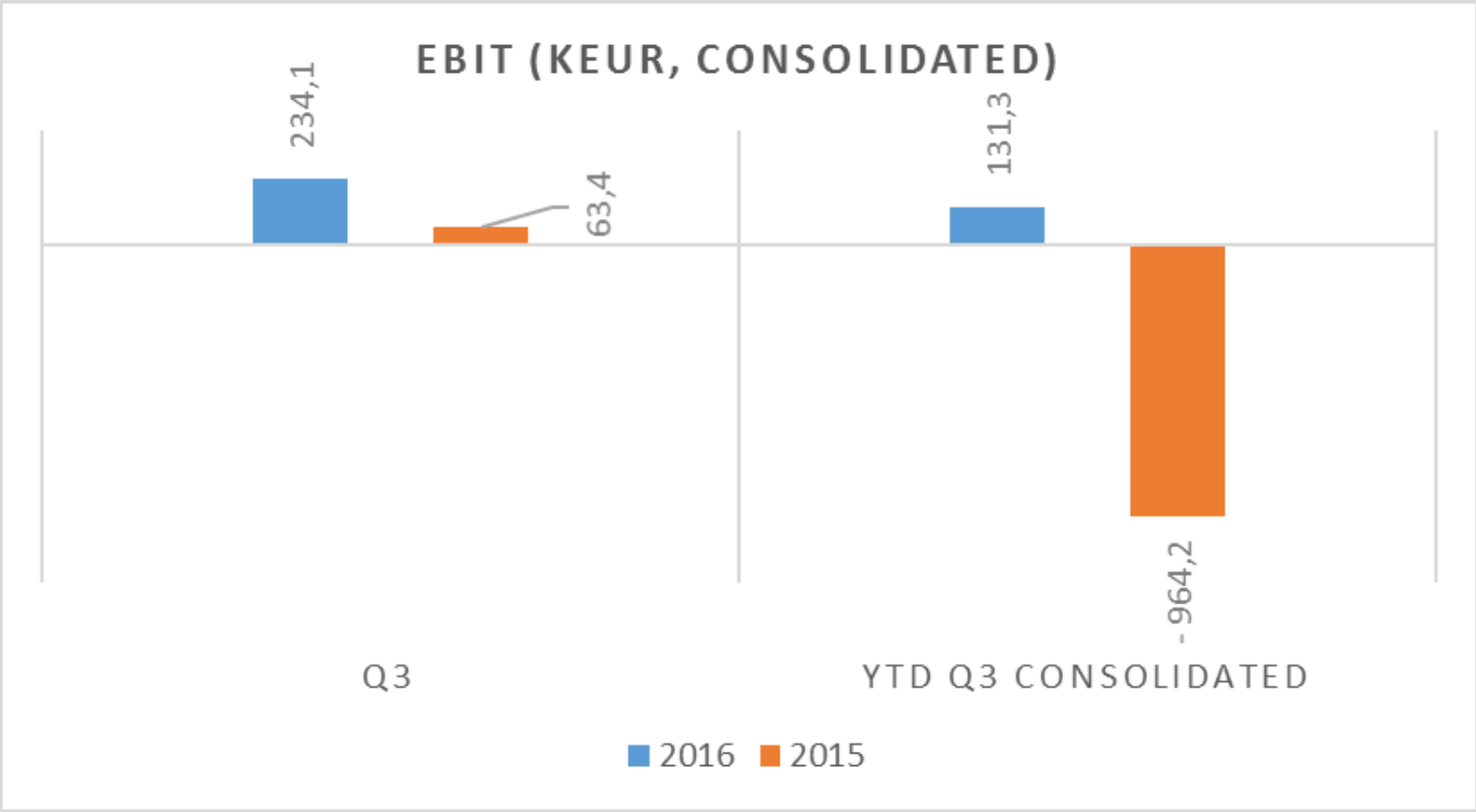
Adjusted EBITDA per sub group Q3 2016 vs. Q3 2015



Adjusted EBITDA per sub group YTD Q3 2016 vs. YTD Q3 2015 pro forma

EBIT

Total consolidated EBIT for the Group was MEUR 0,2 for Q3 2016 and MEUR 0,1 for the first nine months. Previous year's figures were MEUR 0,1 and MEUR -1,0, respectively. The key reason for improved EBIT YTD 2016 was increased sales margin due to eg. sales mix development. The sales margin increase was partly offset by increase in marketing and operating expenses as well as depreciations and amortizations.



Consolidated EBIT Q3 2016 vs. Q3 2015 and YTD Q3 2016 vs. YTD Q3 2015

CASH FLOW

Consolidated cash and cash equivalents on 30 September 2016 amounted to MEUR 1,5 (MEUR 1,1 in the beginning of the quarter). The Group generated a positive net cash flow from operating activities totaling MEUR 0,4 in the quarter. In addition the shareholders of the Group granted it a subordinated convertible loan worth MEUR 3,0. Positive cash flow from a share issue totaled MEUR 0,3. The company amortized its bond with MEUR 1,0. The Group managed to lower its inventory levels further by MEUR 0,8 vs. the beginning of the year and MEUR 0,2 vs. the previous quarter. Total receivables increased vs. the beginning of the year and total payables decreased slightly. Overall, net working capital decreased by MEUR 0,4 in the quarter and increased by MEUR 0,1 YTD.

Func Food Finland's inventories amounted to MEUR 2,2 at the end of Q3 2016 (MEUR -0,4 vs. the previous quarter and MEUR -0,5 vs. the beginning of the year). The inventories of Suomen Lisäraavinne were MEUR 0,1. However, the Group's business in Finland tied more net working capital than in the beginning of the year due to increase in receivables and decrease in payables. Management believes that Func Food Finland's current inventory is at a sustainable level.

In Sweden, inventories of People's Choice and Freddy Store increased by MEUR 0,1 in total vs. the beginning of the year, and amounted to MEUR 3,2. Receivables and payables in the Swedish business both decreased. Net effect was an increase in the overall working capital tied in the operation.

Capex investments in Q3 2016 were small and totaled ca. EUR 40.000, mainly focusing on pop-up store and fair fixtures at Freddy Store Ab.

OWN EQUITY

Consolidated equity of the Group amounted to MEUR 23,8 at the end of Q3 2016, a decrease of MEUR 1,1 in comparison to the previous quarter. In September the Group issued new shares to the executive management team in the amount of MEUR 0,3. In total 1,6 million new shares were subscribed.

RISKS AND UNCERTAINTIES

Current main risks for the Group consist of the operation's ability to generate more revenue in its main markets Finland and Sweden, including cross trade business for FAST, CocoVi, and Celsius.



The main liquidity risks of the Group are related to the interest and repayment schedules and financing for liabilities, the periodic fluctuation of product sales during the year, the concentration of sales for certain products in a few months, and the amount of working capital needed. In order to ensure liquidity, the Group uses sales receivable financing arrangements and constantly strives to improve working capital management by negotiating, for instance, sufficiently long payment terms with suppliers and by optimizing the size of stocks. When necessary, the liquidity of different parts of the Group are supported by intra-group loans.

The Group has through its international operations both sales and expenses in foreign currency which leads to currency exposure.

As per International Financial Reporting Standards the Group's management has made estimates and assumptions that affect the amounts of assets and liabilities presented in the financial statements, and the amount of income and expenses.

There are uncertainties related to the operating environment which may prevent the estimates from coming true. The main uncertainties concern the future development of consumers' purchase patterns and preferences, the changes in various product categories and related competitive situation, and the possibilities of extending the company's operation to other products and new markets.

EVENTS AFTER BALANCE SHEET DAY

Effective November 28th 2016 and until a new CEO in Finland is appointed Robin Lybeck is acting as an interim CEO for the operation in Finland. He also continues to serve as CEO for the whole Group.

On November 30 2016, the date of announcing this interim report, the company has called for an extraordinary shareholders' meeting in order to approve a financing arrangement. The purpose of the arrangement is to enable a further acceleration of growth in the company's operations, including geographical expansion. The arrangement is subject to the shareholders' meeting's approval.

OUTLOOK

Uncertainty in the market in terms of development of the Group's key categories and competitive pressures is likely to continue in the short-term. In terms of cross trade the Group expects to see an increase in Celsius sales in Finland as well as FAST sales in Sweden in Q1 2017.

The company expects a lower cash level at year-end 2016 vs. the end of the third quarter. Celsius sales are expected to be at a lower level than in Q3 following normal seasonality. At the same time the Group is investing in marketing its new launches and has to tie up working capital to bring new products to the market.

Table 1: Consolidated statement of comprehensive income (IFRS)

| EUR in thousands | Current Quarter Q3 2016 | Current Quarter PY Q3 2015 | YTD 1-9/2016 | YTD 1-9/2015 | YTD 1-12/2015 |
|---|-------------------------|----------------------------|-----------------|-----------------|-----------------|
| Continuing operations | | | | | |
| Net revenue | 10 566,1 | 10 366,2 | 31 573,6 | 20 598,3 | 29 366,6 |
| Other income | 250,8 | 0,6 | 266,5 | 0,6 | 1,1 |
| Changes in inventories of finished goods and work in progres | -228,7 | 3 887,1 | -845,4 | 3 525,6 | 1 700,0 |
| Raw materials and consumables used | -5 887,4 | -10 052,2 | -18 402,6 | -17 784,4 | -23 488,9 |
| Employee benefits expenses | -1 065,5 | -1 140,3 | -3 555,6 | -2 291,0 | -3 613,6 |
| Depreciation and amortisation | -1 338,0 | -1 046,7 | -3 026,9 | -1 418,8 | -2 403,3 |
| Impairment | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Other operating expenses | -2 063,2 | -1 951,2 | -5 878,3 | -3 594,4 | -6 448,1 |
| Operating profit | 234,1 | 63,4 | 131,3 | -964,2 | -4 886,2 |
| Financial income | -66,3 | 8,3 | -53,9 | 15,7 | 223,3 |
| Financial expenses | -1 386,4 | -2 033,6 | -5 030,4 | -4 118,8 | -5 725,1 |
| Profit before taxes | -1 218,5 | -1 961,9 | -4 953,1 | -5 067,2 | -10 388,0 |
| Income taxes | -150,9 | 154,2 | 227,2 | 298,1 | 1 442,4 |
| Profit for the period from continuing operations | -1 369,4 | -1 807,7 | -4 725,9 | -4 769,2 | -8 945,6 |
| Profit for the period | -1 369,4 | -1 807,7 | -4 725,9 | -4 769,2 | -8 945,6 |
| Distribution | | | | | |
| To equity holders of the parent | -1 369,40 | -1 807,75 | -4 725,92 | -4 769,15 | -8 945,58 |
| To non-controlling interests | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| | -1 369,40 | -1 807,75 | -4 725,92 | -4 769,15 | -8 945,58 |
| Other comprehensive income | | | | | |
| Items that may be recognised in profit or loss in the future | | | | | |
| Translation differences | -31,2 | 1 118,2 | 99,6 | 1 118,2 | 5,2 |
| Total comprehensive income for the year | -1 400,6 | -689,6 | -4 626,3 | -3 651,0 | -8 940,4 |
| Distribution | | | | | |
| To equity holders of the parent | -1 400,6 | -689,6 | -4 626,3 | -3 651,0 | -8 940,4 |
| To non-controlling interests | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| | -1 400,6 | -689,6 | -4 626,3 | -3 651,0 | -8 940,4 |



Table 2: Consolidated statement of financial position (IFRS)

| EUR in thousands | 9/2016 | 9/2015 | 12/2015 |
|--|----------|----------|----------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 1 943,7 | 2 606,1 | 2 520,3 |
| Goodwill | 26 764,1 | 26 764,1 | 26 764,1 |
| Other intangible assets | 36 624,1 | 39 650,8 | 38 837,7 |
| Other financial assets | 1,9 | 179,8 | 1,9 |
| Deferred tax assets | 20,2 | 226,6 | 9,0 |
| | 65 354,0 | 69 427,4 | 68 133,0 |
| Current assets | | | |
| Inventories | 5 483,6 | 8 154,6 | 6 329,0 |
| Trade and other receivables | 13 593,6 | 14 445,6 | 13 106,0 |
| Tax assets based on taxable income for the period | 1 191,2 | 18,6 | 17,9 |
| Cash and cash equivalents | 1 497,5 | 1 897,8 | 1 427,1 |
| | 21 765,9 | 24 516,6 | 20 880,0 |
| Total assets | 87 119,9 | 93 944,0 | 89 013,0 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | | | |
| Issued capital | 80,0 | 2,5 | 2,5 |
| Invested non-restricted equity reserve | 30 043,7 | 29 796,2 | 29 796,2 |
| Translation differences | 104,8 | 1 118,2 | 5,2 |
| Retained earnings | -6 424,6 | 2 783,3 | -1 709,8 |
| | 23 803,9 | 33 700,2 | 28 094,1 |
| Total equity | 23 803,9 | 33 700,2 | 28 094,1 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 10 311,8 | 12 980,6 | 11 001,4 |
| Financial liabilities | 31 868,0 | 38 069,8 | 38 420,5 |
| Other liabilities | 2 099,8 | 2 030,6 | 2 115,0 |
| | 44 279,6 | 53 081,0 | 51 537,0 |
| Current liabilities | | | |
| Trade payables and other liabilities | 7 021,2 | 6 304,5 | 7 860,0 |
| Tax liabilities based on taxable income for the period | 976,3 | 580,6 | 1 012,5 |
| Financial liabilities | 11 038,9 | 277,7 | 509,4 |
| | 19 036,4 | 7 162,8 | 9 381,9 |
| Total liabilities | 63 316,0 | 60 243,8 | 60 918,9 |
| Total equity and liabilities | 87 119,9 | 93 944,0 | 89 013,0 |

Table 3: Consolidated cashflow statement

| EUR in thousands | Q3 2016 | Q3 2015 | YTD Q3 2016 | YTD Q3 2015 |
|---|----------|-----------|-------------|-------------|
| Cash flows from operating activities | | | | |
| Profit for the period | -1 369,4 | -1 807,7 | -4 725,9 | -4 769,2 |
| Adjustments: | | | | |
| Depreciation according to plan | 1 338,0 | 1 046,7 | 3 026,9 | 1 418,8 |
| Unrealized exchange rate gains and losses | 108,8 | -19,0 | -165,5 | -19,0 |
| Interest and other finance costs | 1 551,8 | 2 033,6 | 5 195,9 | 4 118,8 |
| Interest income | 66,3 | -8,3 | 53,9 | -15,7 |
| Taxes | 150,9 | -154,2 | -227,2 | -298,1 |
| Other adjustments | -250,0 | 392,7 | -250,0 | 392,7 |
| Working capital adjustments | 391,6 | -1 368,1 | -91,1 | -2 324,0 |
| Changes in blocked bank accounts | -0,2 | -3 328,4 | -2,3 | -7 428,7 |
| Interest paid | -1 048,3 | -1 367,4 | -2 948,5 | -1 634,9 |
| Interest received | -66,3 | 69,0 | -53,2 | 109,3 |
| Taxes paid | -438,2 | 558,1 | -1 209,5 | 552,4 |
| Net cash flow from operating activities | 435,1 | -3 953,1 | -1 396,4 | -9 897,4 |
| Cash flows used in investing activities | | | | |
| Acquisition of subsidiaries, net of cash acquired | 0,0 | -34 181,0 | 0,0 | -34 181,0 |
| Investments in tangible and intangible fixed assets | -39,2 | 78,6 | -175,6 | 0,0 |
| Investments in other undertakings | 0,0 | 0,0 | 0,0 | 0,0 |
| Net cash flow from investing activities | -39,2 | -34 102,4 | -175,6 | -34 181,0 |
| Cash flows used in financing activities | | | | |
| Funds from share issues | 325,0 | 9 195,9 | 325,0 | 14 745,9 |
| Changes in share capital | 0,0 | 0,0 | 77,5 | 0,0 |
| Changes in invested non-restricted equity reserve | 0,0 | -995,9 | -77,5 | 0,0 |
| Short-term loans drawn | 0,0 | 261,4 | 2 165,1 | 309,9 |
| Long-term loans drawn | 3 000,0 | 1 190,5 | 3 000,0 | 40 346,7 |
| Repayment of long-term loans | -1 029,1 | -7 717,7 | -1 086,1 | -9 084,7 |
| Repayment of short-term loans | -2 200,1 | 0,0 | -2 656,7 | 0,0 |
| Net cash flow from financing activities | 95,8 | 1 934,2 | 1 747,2 | 46 317,8 |
| Change in cash and cash equivalents | 491,7 | -36 121,3 | 175,2 | 2 239,4 |
| Cash and cash equivalents at beginning of period | 1 110,6 | 38 520,4 | 1 427,1 | 159,7 |
| Cash assets transferred in conjunction with restructuring | 0,0 | 1 619,5 | 0,0 | 1 619,5 |
| Net foreign exchange difference | -104,8 | 1 118,2 | -104,8 | 1 118,2 |
| Cash and cash equivalents at end of period | 1 497,5 | 1 897,8 | 1 497,5 | 1 897,8 |



Table 4: Parent company income statement – Func Food Group Oyj (FAS)

| EUR in thousands | Current Quarter Q3 2016 | Current Quarter PY Q3 2015 | YTD 1-9/2016 | YTD 1-9/2015 | YTD 1-12/2015 |
|--|-------------------------|----------------------------|---------------|-----------------|---------------|
| Net Revenue | 224,6 | 0,0 | 695,8 | 0,0 | 61,5 |
| Personnel costs | | | | | |
| Wages and salaries | -68,7 | -14,8 | -296,7 | -41,3 | -56,2 |
| Social security expenses | | | | | |
| Pension expenses | -17,7 | -2,6 | -53,3 | -8,9 | -11,9 |
| Other social security expenses | -13,0 | 1,5 | -34,5 | 1,2 | 0,5 |
| Total personnel costs | -99,4 | -15,9 | -384,5 | -49,0 | -67,5 |
| Other operating expenses | -201,4 | -34,4 | -484,4 | -63,5 | -227,8 |
| OPERATING PROFIT (LOSS) | -76,2 | -50,2 | -173,1 | -112,5 | -233,9 |
| FINANCIAL INCOME AND EXPENSES: | | | | | |
| Other interest and financial income from Group companies | 952,4 | 900,2 | 2 723,4 | 900,2 | 1 784,0 |
| From others | 0,0 | 0,0 | 0,0 | 0,0 | 200,9 |
| Interest and other financial expenses | | | | | |
| To Group companies | -43,7 | -2,1 | -129,1 | -2,1 | -27,6 |
| To others | -1 159,9 | -1 330,8 | -3 213,1 | -1 812,1 | -2 713,5 |
| Total financial income and expenses | -251,1 | -432,7 | -618,9 | -914,1 | -756,1 |
| PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS | -327,3 | -483,0 | -792,0 | -1 026,6 | -990,0 |
| PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES | -327,3 | -483,0 | -792,0 | -1 026,6 | -990,0 |
| Income taxes | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| PROFIT (+) / LOSS (-) FOR THE FINANCIAL YEAR | -327,3 | -483,0 | -792,0 | -1 026,6 | -990,0 |

**Table 5:** Parent company statement of financial position – Func Food Group Oyj (FAS)

| EUR in thousands | 9/2016 | 9/2015 | 12/2015 |
|--|-----------------|-----------------|-----------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Investments | | | |
| Holdings in Group companies | 20 257,4 | 18 938,9 | 19 250,5 |
| Receivables from Group companies | 39 982,0 | 37 067,3 | 37 067,3 |
| Total investments | 60 239,4 | 56 006,1 | 56 317,8 |
| CURRENT ASSETS | | | |
| Current receivables | | | |
| Receivables from Group companies | 2 833,4 | 2 345,5 | 3 692,7 |
| Significant items in accrued income | 853,3 | 1 440,3 | 1 037,8 |
| Other receivables | 7 277,8 | 7 397,9 | 7 617,4 |
| Total current receivables | 10 964,5 | 11 183,7 | 12 348,0 |
| Cash and bank deposits | 316,9 | 693,3 | 191,9 |
| ASSETS | 71 520,8 | 67 883,2 | 68 857,7 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Issued capital | 80,0 | 2,5 | 2,5 |
| Share issue | 325,0 | 21 929,0 | 0,0 |
| Invested non-restricted equity reserve | 29 691,6 | 7 840,1 | 29 769,1 |
| Retained earnings | -1 795,6 | -805,6 | -805,6 |
| Profit (loss) for the financial year | -792,0 | -1 026,6 | -990,0 |
| Total equity | 27 509,0 | 27 939,3 | 27 975,9 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Bonds and debentures | 34 500,0 | 38 000,0 | 38 000,0 |
| Convertible bonds | 3 000,0 | 0,0 | 0,0 |
| Amounts owed to credit institutions | 0,0 | 0,0 | 0,0 |
| Amounts owed to Group companies | 1 800,0 | 0,0 | 1 800,0 |
| Other liabilities | 577,0 | 1 577,0 | 577,0 |
| Total non-current liabilities | 39 877,0 | 39 577,0 | 40 377,0 |
| Current liabilities | | | |
| Bonds and debentures | 2 500,0 | 0,0 | 0,0 |
| Amounts owed to credit institutions | 0,0 | 0,0 | 0,0 |
| Trade payables | 86,0 | 303,3 | 284,9 |
| Amounts owed to Group companies | 1 369,6 | 2,1 | 177,5 |
| Other current liabilities | 26,6 | 1,7 | 6,8 |
| Accrued expenses | 152,6 | 59,6 | 35,5 |
| Total current liabilities | 4 134,8 | 366,8 | 504,7 |
| Total liabilities | 44 011,8 | 39 943,8 | 40 881,7 |
| EQUITY AND LIABILITIES | 71 520,8 | 67 883,2 | 68 857,7 |

Table 6: Parent company cashflow statement – Func Food Group Oyj

| EUR in thousands | Q3 2016 | Q3 2015 | YTD Q3 2016 | YTD Q3 2015 |
|---|-----------------|------------------|-----------------|------------------|
| Cash flows from operating activities | | | | |
| Profit for the period | -327,3 | -483,0 | -792,0 | -1 026,6 |
| Adjustments: | | | | |
| Depreciation according to plan | 0,0 | 0,0 | 0,0 | 0,0 |
| Unrealized exchange rate gains and losses | 151,8 | 0,0 | 339,6 | 0,0 |
| Interest and other finance costs | 1 203,6 | 1 332,9 | 3 342,3 | 1 814,2 |
| Interest income | -952,4 | -900,2 | -2 723,4 | -900,2 |
| Taxes | 0,0 | 0,0 | 0,0 | 0,0 |
| Working capital adjustments | 465,5 | -480,1 | 936,1 | -2 934,5 |
| Changes in blocked bank accounts | 0,0 | -3 328,4 | 0,0 | -7 397,9 |
| Interest paid | -908,3 | -1 339,7 | -2 694,4 | -1 526,6 |
| Interest received | 1 419,2 | 14,2 | 2 306,5 | 14,2 |
| Taxes paid | 0,0 | 0,0 | 0,0 | 0,0 |
| Net cash flow from operating activities | 1 052,0 | -5 184,3 | 714,8 | -11 957,4 |
| Cash flows used in investing activities | | | | |
| Investments in shares of subsidiaries | 0,0 | -37 072,7 | 0,0 | -37 072,7 |
| Loan repayments received | 0,0 | 0,0 | 185,3 | 0,0 |
| Investments in tangible and intangible fixed assets | 0,0 | 0,0 | 0,0 | 0,0 |
| Loans given | -3 100,0 | 0,0 | -3 100,0 | 0,0 |
| Net cash flow from investing activities | -3 100,0 | -37 072,7 | -2 914,7 | -37 072,7 |
| Cash flows used in financing activities | | | | |
| Funds from share issues | 325,0 | 9 195,9 | 325,0 | 14 745,9 |
| Changes in share capital | 0,0 | 0,0 | 77,5 | 0,0 |
| Changes in invested non-restricted equity reserve | 0,0 | -995,9 | -77,5 | 0,0 |
| Loans drawn | 3 000,0 | 4,1 | 3 000,0 | 39 577,0 |
| Repayment of loans | -1 000,0 | -3 753,1 | -1 000,0 | -4 628,1 |
| Net cash flow from financing activities | 2 325,0 | 4 451,0 | 2 325,0 | 49 694,8 |
| Change in cash and cash equivalents | 277,0 | -37 806,0 | 125,0 | 664,7 |
| Cash and cash equivalents at beginning of period | 40,0 | 38 499,3 | 191,9 | 28,6 |
| Cash assets transferred in conjunction with restructuring | 0,0 | 0,0 | 0,0 | 0,0 |
| Net foreign exchange difference | 0,0 | 0,0 | 0,0 | 0,0 |
| Cash and cash equivalents at end of period | 316,9 | 693,3 | 316,9 | 693,3 |

Table 7: Consolidated statement of changes in equity year-to-date September 2015, attributable to the equity holders of the parent

| EUR in thousands | Share capital | Share premium account | Invested non-restricted equity reserve | Other reserves | Treasury shares | Translation differences | Retained earnings | Equity instrument | Total | Share of non-controlling interest | Total equity |
|--|---------------|-----------------------|--|----------------|-----------------|-------------------------|-------------------|-------------------|----------|-----------------------------------|--------------|
| Equity at 1 Jan 2015 | 2,5 | | 6 871,3 | | | | -2 581,6 | | 4 292,2 | 0,0 | 4 292,2 |
| Adjustment on the excise duties of previous accounting periods | | | | | | | | | 0,0 | 0,0 | 0,0 |
| Adjusted equity at 1 Jan. 2015 | 2,5 | 0,0 | 6 871,3 | 0,0 | 0,0 | 0,0 | -2 581,6 | 0,0 | 4 292,2 | 0,0 | 4 292,2 |
| Comprehensive income | | | | | | | | | | | |
| Profit for the year | | | | | | | -4 769,2 | | -4 769,2 | 0,0 | -4 769,2 |
| Translation differences | | | | | | 1 118,2 | | | 1 118,2 | 0,0 | 1 118,2 |
| Total comprehensive income for the year | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 1 118,2 | -4 769,2 | 0,0 | -3 651,0 | 0,0 | -3 651,0 |
| Other items affecting equity | | | | | | | | | | | |
| Impact of finance lease | | | | | | | -2,6 | | -2,61 | 0,00 | -2,61 |
| Recognising bonds and debentures at amortised cost | | | | | | | 10 554,0 | | 10 554,0 | 0,0 | 10 554,0 |
| Recognising other loans at amortised cost | | | | | | | 372,1 | | 372,1 | 0,0 | 372,1 |
| Other impacts of IFRS | | | | | | | -789,4 | | -789,4 | 0,0 | -789,4 |
| Total other items affecting equity | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 10 134,1 | 0,0 | 10 134,1 | 0,0 | 10 134,1 |
| Transactions with equity owners | | | | | | | | | | | |
| Dividends paid | | | | | | | | | 0,0 | 0,0 | 0,0 |
| Equity issue | | 21 929,0 | 995,9 | | | | | | 22 924,9 | 0,0 | 22 924,9 |
| Changes in share capital | | | | | | | | | 0,0 | 0,0 | 0,0 |
| Convertible bond | | | | | | | | | 0,0 | 0,0 | 0,0 |
| Total transactions with equity owners | 0,0 | 21 929,0 | 995,9 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 22 924,9 | 0,0 | 22 924,9 |
| Equity at 30 Sep 2015 | 2,5 | 21 929,0 | 7 867,2 | 0,0 | 0,0 | 1 118,2 | 2 783,3 | 0,0 | 33 700,2 | 0,0 | 33 700,2 |

Table 8: Consolidated statement of changes in equity year-to-date September 2016, attributable to the equity holders of the parent

| EUR in thousands | Issued capital | Share premium | Invested non-restricted equity reserve | Other reserves | Treasury shares | Translation differences | Retained earnings | Equity instrument | Total | Non-controlling interests | Total equity |
|--|----------------|---------------|--|----------------|-----------------|-------------------------|-------------------|-------------------|----------|---------------------------|--------------|
| Equity at 1 Jan 2016 | 2,5 | | 29 796,2 | | | 5,2 | -1 709,8 | | 28 094,1 | 0,0 | 28 094,1 |
| Adjustment on the excise duties of previous accounting periods | | | | | | | 10,3 | | 10,3 | 0,0 | 10,3 |
| Adjusted equity at 1 Jan 2016 | 2,5 | 0,0 | 29 796,2 | 0,0 | 0,0 | 5,2 | -1 699,4 | 0,0 | 28 104,5 | 0,0 | 28 104,5 |
| Comprehensive income | | | | | | | | | | | |
| Profit for the year | | | | | | | -4 725,9 | | -4 725,9 | 0,0 | -4 725,9 |
| Translation differences | | | | | | 99,6 | | | 99,6 | 0,0 | 99,6 |
| Total comprehensive income for the year | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 99,6 | -4 725,9 | 0,0 | -4 626,3 | 0,0 | -4 626,3 |
| Other items affecting equity | | | | | | | | | | | |
| Recognising bonds and debentures at amortised cost | | | | | | | | | 0,0 | 0,0 | 0,0 |
| Impact of equity share of convertible loan | | | | | | | 0,7 | | 0,7 | 0,0 | 0,7 |
| Recognising other loans at amortised cost | | | | | | | | | 0,0 | 0,0 | 0,0 |
| Other impacts of IFRS | | | | | | | | | 0,0 | 0,0 | 0,0 |
| Total other items affecting equity | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,7 | 0,0 | 0,7 | 0,0 | 0,7 |
| Transactions with equity owners | | | | | | | | | | | |
| Dividends paid | | | | | | | | | 0,0 | 0,0 | 0,0 |
| Equity issue | | 325,00 | | | | | | | 325,0 | 0,0 | 325,0 |
| Changes in share capital | 77,5 | | -77,5 | | | | | | 0,0 | 0,0 | 0,0 |
| Convertible bond | | | | | | | | | 0,0 | 0,0 | 0,0 |
| Total transactions with equity owners | 77,5 | 325,0 | -77,5 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 325,0 | 0,0 | 325,0 |
| Equity at 30 Sep 2016 | 80,0 | 325,0 | 29 718,7 | 0,0 | 0,0 | 104,8 | -6 424,6 | 0,0 | 23 803,9 | 0,0 | 23 803,9 |

Table 9: Fair values of financial assets and liabilities in September 30 2015

| Fair value hierarchy (level 2) for financial assets and liabilities which are not measured at fair value in the statement of financial position but whose fair value is presented in the financial statements | | | | | | |
|---|--|-----------------------|--|--|---|------------|
| September 30 2015 | | | | | | |
| EUR in thousands | Financial assets and liabilities at fair value through profit and loss | Loans and receivables | Cash and cash equivalents available for sale | Financial liabilities measured at amortised cost | Carrying amounts of balance-sheet items | Fair value |
| Current financial assets | | | | | | |
| Trade and other receivables | | 13 124,92 | | | 13 124,92 | 13 124,92 |
| Total | 0,00 | 13 124,92 | 0,00 | 0,00 | 13 124,92 | 13 124,92 |
| Non-current financial liabilities | | | | | | |
| Bonds and debentures | | | | 25 547,51 | 25 547,51 | 25 547,51 |
| Convertible bonds | | | | 0,00 | 0,00 | 0,00 |
| Subordinated loans | | | | 63,17 | 63,17 | 63,17 |
| Amounts owed to credit institutions | | | | 64,77 | 227,49 | 227,49 |
| Other non-current liabilities | | | | | 14 383,74 | 14 383,74 |
| Current financial liabilities | | | | | | |
| Interest-bearing liabilities | | | | 1,83 | 1 185,56 | 1 185,56 |
| Trade payables | | | | | 3 292,80 | 3 292,80 |
| Other liabilities | | | | | 731,36 | 731,36 |
| Total | 0,00 | 0,00 | 0,00 | 25 677,28 | 45 431,63 | 45 431,63 |

Table 10: Fair values of financial assets and liabilities in September 30 2016

| Fair value hierarchy (level 2) for financial assets and liabilities which are not measured at fair value in the statement of financial position but whose fair value is presented in the financial statements | | | | | | |
|---|--|-----------------------|--|--|---|------------|
| September 30 2016 | | | | | | |
| EUR in thousands | Financial assets and liabilities at fair value through profit and loss | Loans and receivables | Cash and cash equivalents available for sale | Financial liabilities measured at amortised cost | Carrying amounts of balance-sheet items | Fair value |
| Current financial assets | | | | | | |
| Trade and other receivables | | 10 516,51 | | | 10 516,51 | 10 516,51 |
| Total | 0,00 | 10 516,51 | 0,00 | 0,00 | 10 516,51 | 10 516,51 |
| Non-current financial liabilities | | | | | | |
| Bonds and debentures | | | | 24 904,17 | 24 904,17 | 24 904,17 |
| Convertible bonds | | | | 3 046,43 | 3 046,43 | 3 046,43 |
| Subordinated loans | | | | 87,03 | 87,03 | 87,03 |
| Amounts owed to credit institutions | | | | 270,43 | 462,24 | 462,24 |
| Other non-current liabilities | | | | 1 131,86 | 5 467,95 | 5 467,95 |
| Current financial liabilities | | | | | | |
| Bonds and debentures | | | | 2 736,05 | 2 736,05 | 2 736,05 |
| Interest-bearing liabilities | | | | 28,08 | 8 673,09 | 8 673,09 |
| Trade payables | | | | | 4 514,28 | 4 514,28 |
| Other liabilities | | | | | 1 051,25 | 1 051,25 |
| Total | 0,00 | 0,00 | 0,00 | 32 204,04 | 50 942,47 | 50 942,47 |

Level 1 includes instruments whose fair value is based on the listed (unadjusted) prices of identical assets or liabilities in a well-functioning market.

Level 2 includes instruments with verifiable prices based on market data.

Level 3 includes instruments with prices not based on verifiable market data but, for example, on the company's internal information.

Table 11: Func Food Group key financial highlights

| EUR in thousands | Current Quarter Q3 2016 | Current Quarter PY Q3 2015 | YTD 1-9/2016 | YTD 1-9/2015 | YTD 1-12/2015 |
|---|-------------------------|----------------------------|--------------|--------------|---------------|
| Net revenue | 10 566,1 | 10 366,2 | 31 573,6 | 20 598,3 | 29 366,6 |
| Pro forma net revenue (as if Group structure in place since Jan 1 2015) | N/A | N/A | N/A | 33 823,1 | 42 591,4 |
| Sales margin | 4 700,9 | 4 201,6 | 12 592,0 | 6 340,0 | 7 578,9 |
| Sales margin, % of net revenue | 44,5% | 40,5% | 39,9% | 30,8% | 25,8% |
| Personnel expenses | -1 065,5 | -1 140,3 | -3 555,6 | -2 291,0 | -3 613,6 |
| Marketing expenses | -1 147,5 | -809,4 | -3 316,3 | -1 969,0 | -3 066,2 |
| Other operating expenses | -915,7 | -1 141,9 | -2 562,0 | -1 625,4 | -3 381,9 |
| Total operating expenses | -3 128,7 | -3 091,6 | -9 433,9 | -5 885,4 | -10 061,7 |
| EBITDA | 1 572,2 | 1 110,1 | 3 158,1 | 454,6 | -2 482,8 |
| EBITDA, % of net revenue | 14,9% | 10,7% | 10,0% | 2,2% | -8,5% |
| Items affecting comparability | -112,0 | 353,5 | 118,3 | 854,5 | 1 836,8 |
| Adjusted EBITDA | 1 460,2 | 1 463,5 | 3 276,4 | 1 309,1 | -646,0 |
| Adjusted EBITDA, % of net revenue | 13,8% | 14,1% | 10,4% | 6,4% | -2,2% |
| Pro forma EBITDA (as if Group structure in place since Jan 1 2015) | N/A | N/A | N/A | 2 618,1 | -319,4 |
| Pro forma EBITDA, % of pro forma net revenue | N/A | N/A | N/A | 7,7% | -0,7% |
| Items affecting comparability in pro-forma EBITDA | N/A | N/A | N/A | 1 434,0 | 2 416,4 |
| Adjusted pro forma EBITDA | N/A | N/A | N/A | 4 052,1 | 2 097,0 |
| Adjusted pro forma EBITDA, % of pro forma net revenue | N/A | N/A | N/A | 12,0% | 4,9% |
| EBIT | 234,1 | 63,4 | 131,3 | -964,2 | -4 886,2 |
| EBIT, % of net revenue | 2,2% | 0,6% | 0,4% | -4,7% | -16,6% |
| Profit for the period | -1 369,4 | -1 807,7 | -4 725,9 | -4 769,2 | -8 945,6 |
| Profit for the period, % of net revenue | -13,0% | -17,4% | -15,0% | -23,2% | -30,5% |

Adjusted EBITDA has been calculated as “EBITDA” + “Items affecting comparability”.

Items affecting comparability are defined as follows: costs that are considered extraordinary due to write-offs of ingredients, materials, or finished goods, or costs incurred by professional services due to acquisitions or divestments, first time IFRS conversion, or listing of the company’s bond in Nasdaq Stockholm. Also, costs incurred due to implementation of significant financial or other systems, or costs due to change in accounting methods of fixed assets are included in Items affecting comparability. In Q3 2016 the company recorded Other income in the amount of 250.000 EUR due to non-realization of additional purchase price relating to the company’s acquisition of CocoVi Import Oy in 2014. This income has been recorded in Items affecting comparability.



INTERIM FINANCIAL REPORTING IN 2016

Func Food Group's interim reports will be published according to the below schedule.

The interim reports as well as year-end reports are available for down-loading on the groups website at **www.funcfood.com**.

| | |
|---------|---------------|
| Q1 2016 | May 2016 |
| Q2 2016 | August 2016 |
| Q3 2016 | November 2016 |
| Q4 2016 | February 2017 |

Helsinki 30 November 2016

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