



Half-Year Financial Report January–June 2021

Raisio plc



Raisio Plc's Half-Year Financial Report, 4 August 2021, at 8:30 a.m. Finnish time

ON THE VERGE OF A NEW GROWTH

FINANCIAL DEVELOPMENT IN BRIEF

April–June 2021

- The Group's net sales totalled EUR 66.7 (59.9) million, which signified a growth of 11.3%.
- Comparable EBIT was EUR 5.3 (7.0) million, accounting for 7.9 (11.6)% of net sales. Comparable EBIT decreased by -24.7% in relation to the comparison period.
- EBIT was EUR 4.5* (7.0) million, which accounted for 6.8 (11.6)% of net sales.
- The Healthy Food Segment's net sales totalled EUR 34.7 (31.6) million. Comparable EBIT was EUR 4.1 (4.0) million, accounting for 11.7 (12.7)% of net sales. EBIT was EUR 3.9 (4.0) million, which accounted for 11.3 (12.7)% of net sales.
- The Healthy Ingredients Segment's net sales totalled EUR 38.9 (34.3) million. Comparable EBIT was EUR 2.3 (3.7) million, accounting for 5.9 (10.9)% of net sales. EBIT was EUR 1.7 (3.7) million, which accounted for 4.4 (10.9)% of net sales.
- The Group's cash flow from business operations after financial items and taxes totalled EUR 12.2 (6.0) million.
- The overall effect of currency conversions was EUR 0.1 (-0.5) million on net sales, EUR 0.1 (-0.1) million on comparable EBIT and EUR 0.1 (-0.1) million on EBIT.

*EBIT includes EUR 0.7 million in expenses related to the corporate acquisition.

January–June 2021

- The Group's net sales totalled EUR 116.6 (114.6) million, which signified a growth of 1.7%.
- Comparable EBIT was EUR 9.9 (13.6) million, accounting for 8.5 (11.8)% of net sales. Comparable EBIT decreased by -26.8% in relation to the comparison period.
- EBIT was EUR 12.0* (13.6) million, which accounted for 10.3 (11.8)% of net sales.
- The Healthy Food Segment's net sales totalled EUR 69.1 (68.9) million. Comparable EBIT was EUR 8.9 (9.3) million, accounting for 12.9 (13.5)% of net sales. EBIT was EUR 8.8 (9.3) million, which accounted for 12.7 (13.5)% of net sales.
- The Healthy Ingredients Segment's net sales totalled EUR 61.2 (59.9) million. Comparable EBIT was EUR 2.9 (5.9) million, accounting for 4.8 (9.9)% of net sales. EBIT was EUR 5.2 (5.9) million, which accounted for 8.4 (9.9)% of net sales.
- The Group's cash flow from business operations after financial items and taxes totalled EUR 15.4 (9.9) million.
- The comparable return on investments (ROIC) was 6.6 (9.8)% and the return on investments (ROIC) was 8.9 (9.8)%.
- The overall effect of currency conversions was EUR -0.9 (-0.2) million on net sales, EUR 0.0 (0.0) million on comparable EBIT and EUR 0.0 (0.0) million on EBIT.

*EBIT includes EUR 2.8 million in other operating income for the sale of the receivable and EUR 0.7 million in expenses related to the corporate acquisition.

OUTLOOK 2021

Raisio's guidelines: In 2021, Raisio estimates that net sales will increase (net sales in 2020: EUR 233.6 million). The costs accrued as a result of our front-loaded growth investments will put pressure on our profitability in 2021 in comparison to the situation in 2020.

KEY FIGURES OF THE GROUP

		4–6/2021	4–6/2020	1–6/2021	1–6/2020	1–12/2020
Net sales	M€	66.7	59.9	116.6	114.6	233.6
Change in net sales	%	11.3	-4.5	1.7	1.8	-1.2
Comparable EBITDA	M€	7.1	8.5	13.3	16.7	33.9
EBITDA	M€	6.4	8.5	15.4	16.7	35.1
Comparable EBIT	M€	5.3	7.0	9.9	13.6	27.7
Comparable EBIT of net sales	%	7.9	11.6	8.5	11.8	11.9
EBIT	M€	4.5	7.0	12.0	13.6	28.9
EBIT of net sales	%	6.8	11.6	10.3	11.8	12.4
Comparable earnings per share	€	0.03	0.05	0.05	0.06	0.14
Earnings per share	€	0.03	0.05	0.06	0.06	0.15

CURRENCY CONVERSIONS IMPACTS ON NET SALES AND EBIT

		4–6/2021	4–6/2020	1–6/2021	1–6/2020	1–12/2020
Net sales	M€	0.1	-0.5	-0.9	-0.2	-2.5
Comparable EBIT	M€	0.1	-0.1	0.0	0.0	-0.4
EBIT	M€	0.1	-0.1	0.0	0.0	-0.4

CEO PEKKA KUUSNIEMI:

The planning for the next strategy period got underway at Raisio at the beginning of the year. The implementation of the internationalization plans for the current strategy period 2019-2021 met with notable delays as a result of obstacles caused by the pandemic. The chosen focus on plant-based value added products has, however, proven to be the right decision and Raisio Group will continue to pursue this chosen path. In June, we announced that Raisio would be targeting three areas of focus for the strategy period leading up to 2025. Benecol® and plant stanol ester solutions, value added oat products and plant-based products will form the core of the company's operations. The production facility, which was completed on time and within budget, and the Verso Food acquisition in April both support the company's advancement within these rapidly growing plant-based food markets.

The pandemic that took hold the previous spring has caused considerable anomalies in Raisio's market environment, and fluctuations in certain market and customer segments have been unprecedentedly large. During the second quarter, net sales grew 11.3% from the comparison period to a total of EUR 66.7

(59.9) million. Comparable EBIT was EUR 5.3 (7.0) million during the spring quarter and accounted for 7.9 (11.6)% of net sales. The company's financial performance was burdened by costs from the start-up of the new production facility and the as yet unprofitable EBIT of Verso Food Oy, which was acquired in April. The cash flow from operations was strong at EUR 12.2 (6.0) million.

During the last three years Raisio has invested strongly in its capabilities to develop and produce plant-based value added products. The investments have totalled as much as around EUR 65 million over the past few years. The investments of the second quarter totalled EUR 6.0 (7.2) million, or 9.0 (12.1) per cent of net sales. The investments of the first half-year totalled EUR 12.5 (12.9) million, thereby representing 10.7 (11.3) per cent of net sales. At our Capital Markets Day event, we talked about our goals and the means to reach them, whereby we intend to capitalise on the possibilities offered by our strong investments within these compelling markets.

The ever-changing pandemic situation within the different markets has continued to have an impact on demand, but in the UK market, for example, we managed to adapt to the new situation, particularly through changes in distribution, and the resulting development has been positive in relation to the comparison period. On the whole, the demand situation within the markets in which Raisio operates has stabilised in terms of volume fluctuations, but, as I see it, the effects of the pandemic, such as the strong growth in online shopping, will permanently affect market dynamics.

As a result of the corporate acquisition realised in April, the operations of Verso Food Oy have been incorporated into Raisio's existing operations and its personnel into our operational organisation. We promptly realised a value creation programme to ensure continued growth and improved profitability for this strategic area of focus. In the course of the value creation programme, it became clear that our acquisition has boosted the enthusiasm of Raisio's entire personnel, and I would like to take this opportunity to thank our personnel as we advance along the road towards new growth.

STRATEGY PERIOD 2022–2025

On 10 June 2021, Raisio published its updated strategy and responsibility programme for the coming years. Raisio's most important goal for the new strategy period is to grow boosted by the new capabilities and new product categories made possible by investments realised in recent years. Raisio's three strategic areas of focus are Benecol® and plant stanol ester solutions, value added oat products and plant-based products.

The compound annual growth rate (CAGR) of the combined net sales from the three aforementioned focus areas is 7% during the strategy period, and the CAGR for the entire Raisio Group is 5%. The three areas of focus together provide for approximately two thirds of the total net sales of Raisio Group. In 2020, Raisio Group had net sales of EUR 234 million and the combined net sales for the areas of focus amounted to EUR 157 million.

Raisio aims to achieve a comparable EBIT of over 10 per cent of the Group's net sales in 2025. The commissioning and commercialisation stage of the new production facility and growth investments in Verso Food, acquired in spring 2021, put pressure on Raisio's profitability during the first years of the strategy period.

Raisio organised a virtual Capital Markets Day in connection with the publication of its new strategy on 10 June 2021.

VERSO FOOD OY ACQUISITION 1 April 2021

On 1 April 2021, Raisio Group announced it had acquired the entire share capital of Verso Food Oy from Kavli Holding AS and Kavli Oy. The debt-free total purchase price was EUR seven million and one million shares of the free shares held by Raisio plc. The share portion of the purchase was realised as a private placement. The acquisition did not require the approval of the competition authority.

Verso Food was founded in 2010 and is known for its fava bean products. Its net sales have grown dramatically over recent years. In 2020, Verso Food's net sales increased almost 20% to approximately EUR 8 million. Due to large investments and strong sales efforts, Verso Food's business is still unprofitable. In 2019, the company reported an EBIT loss of about EUR 3.8 million and, in 2020, about EUR 4.6 million. During the second quarter, Raisio realised a comprehensive value creation and integration plan to ensure continued growth and improved profitability.

Verso Food employs approximately 30 food industry professionals, who transferred to the Raisio Group in connection with the corporate acquisition and were immediately viewed as existing employees. Verso Food Oy was included in Raisio's financial figures as of 1 April 2021. Approximately 80% of its sales are derived from consumer products, so they are reported as part of the Healthy Food Segment. The final 20% of Verso Food's sales come from HoReCa and industrial sales and are reported as part of the Healthy Ingredients Segment.

FINANCIAL REPORTING

Raisio Group's reportable operating segments are Healthy Food, Healthy Ingredients and Other Operations. The reported figures are comparable. The comparison figures in brackets refer to the corresponding period a year earlier unless otherwise stated. The Healthy Food Segment focuses on the consumer brands with Europe as its main market area. The Healthy Food Segment signifies a reporting segment, which consists of Northern Europe, Eastern and Central Europe and Western Europe (previously Northern and Eastern Europe, Western Europe and Rest of the World). The Healthy Ingredients Segment includes the sale of fish feeds and the Benecol product ingredient as well as the sale of grain- and plant-based foods and their ingredients to industrial and catering companies. In addition, Operations, which includes production, procurement and the supply chain, are reported as part of the Healthy Ingredients Segment.

OPERATING ENVIRONMENT AND COVID-19

The coronavirus pandemic has significantly affected Raisio's operational environment as COVID-19 and measures to prevent its spread closed down economies to a significant extent from the beginning of 2020. This was still reflected in Raisio's operations during the second quarter of 2021, as the company's most significant export countries remained at the mercy of lockdowns and restrictions on movement. On the global scale, the outlook towards more normal circumstances began to take a more positive turn at the end of the second quarter of 2021, as the vaccination coverage was quickly gaining a foothold. The change in consumers' purchase and shopping behaviours towards digital channels has, at the same time, continued to evolve. The role of traditional trade is being forced to adapt as the volumes of new sales channels continue their strong growth.

Global megatrends support Raisio's growth strategy and its focus on responsibly produced healthy food. As the pandemic withdraws, more permanent changes in consumer behaviour may be seen. According to our estimates, value choices and consumption habits related to health will become even more prevalent. The ultimate duration and impacts of the pandemic continue, however, to be an uncertainty. In response to the pandemic, online sales have become a strong and permanent form of consumer trade. Our strategic choices to

focus on fewer but stronger brands support our success at a time when purchase behaviours are changing. Raisio contributes to this development through good co-operation with the chain stores.

The UK market is highly important for Raisio and represents approximately one fourth of the entire Group's net sales. For this reason, the trade agreement between the UK and the EU that was signed at the end of 2020 is a crucial milestone for Raisio and marks an end to the overshadowing uncertainty that took hold from the summer of 2016. The turn of the year to 2021 did not result in any negative surprises for Raisio in terms of material flows, logistics or contractual documentation, so it allows for Raisio to develop this essential market in light of much more predictable conditions. At the end of the second quarter, the UK had already prepared for the removal of restrictive measures and the return of society to levels of activity that were comparable to those seen prior to the pandemic.

FINANCIAL DEVELOPMENT

April–June

Raisio Group's net sales totalled EUR 66.7 (59.9) million. The Group's net sales significantly increased during the second quarter. Both the Healthy Food Segment and Healthy Ingredients Segment contributed to the growth. Sales in Finland and the UK, which are the key markets for our consumer brands, increased especially well in relation to the comparison period. The development in the Eastern European markets, on the other hand, continued in the other direction. The Verso Food business, which was acquired on 1 April 2021, provided a slight boost in growth for the net sales of the whole Group. Within the Healthy Ingredients Segment, particularly the B2B sales of Raisioaqua and grain-based products developed at a significantly better rate than seen during the comparison period. Raisioaqua was especially supported by the significant growth in Russian sales. The B2B sales of grain-based products were boosted by continued growth success in export trade as the sales structure was geared towards growth in the relative amount of value added products.

Raisio Group's comparable EBIT was EUR 5.3 (7.0) million, which accounted for 7.9 (11.6) per cent of net sales. EBIT was EUR 4.5 (7.0) million, which accounted for 6.8 (11.6) per cent of net sales. In relation to the comparison period, profitability was burdened, as stated earlier, by costs from the start-up of production at our new production plant prior to the actual deliveries to shops. Profitability was also challenged by the unprofitability of the Verso Food business and, on the Group level, significantly larger investments in sales and marketing in relation to the comparison period, in response to the fact that the operational environment was slowly returning to normal conditions, also in terms of sales promotion. Lesser expenses weighed on the Healthy Ingredients Segment, which will be detailed further in the business review of the segment. Profit development during the review period was overall as expected, with the additional notable mention of the significant increase in the performance of Benecol business in the UK, both in terms of sales and profitability.

The conversion impact on the Group's net sales was EUR 0.1 (-0.5) million. The share of the impact caused by the British pound was EUR 0.4 (-0.2) million, by the Russian ruble EUR -0.2 (-0.3) million and by other currencies EUR -0.1 (-0.1) million.

The conversion impact on the Group's comparable EBIT and EBIT was EUR 0.1 (-0.1) million. The share of the impact caused by the British pound was EUR 0.1 (0.0) million, by the Russian ruble EUR 0.0 (-0.1) million and by other currencies EUR 0.0 (0.0) million. The conversion impact refers to the impact arising when the subsidiaries' net sales are converted into euro as part of the consolidated financial statements.

The depreciations and impairments totalled EUR 1.8 (1.6) million. The Group's net financial items were EUR 0.5 (2.5) million. During the comparison period, the net financial items included a positive fair value change of EUR 2.2 million for financial assets recognised at fair value through profit or loss. During the comparison period, the

securities market strongly regained strength from the lows of the corona crisis. The Group's pre-tax result was EUR 5.1 (9.5) million. The Group's post-tax result was EUR 4.0 (7.4) million. The Group's earnings per share were EUR 0.03 (0.05) and the comparable figure was EUR 0.03 (0.05).

January–June

Raisio Group's net sales totalled EUR 116.6 (114.6) million. The Group's net sales increased slightly from the comparison period in accordance with our expectations. The Healthy Food Segment's net sales totalled EUR 69.1 (68.9) million and Healthy Ingredients Segment's net sales were EUR 61.2 (59.9) million. The second quarter managed to catch up to the significant drop in net sales that occurred during the first quarter, and a minor increase was recognised for the entire first half-year. On the B2B front, domestic sales and export of grain-based value-added products continued to grow especially well. Raisioaqua's sales also clearly increased in relation to the comparison period. This was the result of significantly larger deliveries to Russia, which is traditionally Raisioaqua's largest market area.

Raisio Group's comparable EBIT was EUR 9.9 (13.6) million, which accounted for 8.5 (11.8) per cent of net sales. EBIT was EUR 12.0 (13.6) million, which accounted for 10.3 (11.8) per cent of net sales. The volume and profitability development within the Health Food Segment fluctuated greatly within our different key markets. Profitability in the UK and Ireland increased from the comparison period, while the development in Russia and Ukraine was weakest. The development in other markets was fairly uniform in relation to the comparison period. In the second quarter, larger investments were made in sales and marketing than in the comparison period, but when the entire first half-year is considered, these expenses were basically in line with those of the comparison period.

In the Healthy Ingredients Segment, increased B2B sales of grain-based value added products supported profitability. Raisioaqua's success in Russia compensated for the slightly lower volumes seen in other markets, but the profitability level was somewhat lower in relation to the comparison period. The new production facility being built in Raisio's industrial area accrued costs from the start up of production before any actual net sales have been made and Verso Food's business, which was acquired on 1 April 2021, is still unprofitable.

The conversion impact on the Group's net sales was EUR -0.9 (-0.2) million. The share of the impact caused by the British pound was EUR 0.2 (0.0) million, by the Russian ruble EUR -0.7 (-0.2) million and by other currencies EUR -0.4 (0.1) million.

The conversion impact on the Group's comparable EBIT and EBIT was EUR 0.0 (0.0) million. The share of the impact caused by the British pound was EUR 0.0 (0.0) million, by the Russian ruble EUR -0.1 (-0.1) million and by other currencies EUR 0.0 (0.0) million. The conversion impact refers to the impact arising when the subsidiaries' net sales are converted into euro as part of the consolidated financial statements.

The depreciations and impairments totalled EUR 3.4 (3.1) million. The Group's net financial items were EUR 0.8 (-1.4) million. During the comparison period, the net financial items included a fair value change of EUR -1.4 million for financial assets recognised at fair value through profit or loss as a result of the realised decline in the securities market in response to the corona crisis. The Group's pre-tax result was EUR 12.9 (12.1) million. The Group's post-tax result was EUR 10.2 (9.5) million. The Group's earnings per share were EUR 0.06 (0.06) and the comparable figure was EUR 0.05 (0.06).

BALANCE SHEET, CASH FLOW AND FINANCING

At the end of June, Raisio Group's balance sheet totalled EUR 333.1 (31 December 2020: 314.6) million. Shareholders' equity was EUR 267.5 (31 December 2020: 269.5) million. Equity per share totalled EUR 1.69 (31 December 2020: 1.71) million. Changes in equity are described in detail in the Table section below.

The Group's cash flow from business operations after financial items and taxes totalled EUR 15.4 (9.9) million. The cash flow of the review period includes EUR 2.8 million in other operating income for the sale of the receivable. Cash flow was improved by stock levels that were lower than those of the comparison period and the timing differences for deferred tax payments.

At the end of June, working capital amounted to EUR 35.4 (31 December 2020: 36.8) million.

At the end of June, the Group's interest-bearing debt was EUR 22.3 (31 December 2020: 10.2) million. For the review period, interest-bearing debts include an increase in lease liabilities of EUR 12.2 million. Of this increase, EUR 4.7 million derive from the process equipment required for the new production facility being built in Raisio's industrial area and EUR 6.3 million in lease liabilities for the production facility of Verso Food, which was acquired during the review period. Net interest-bearing debt was EUR -52.3 (31 December 2020: -83.0) million.

At the end of June, Raisio's financial assets recognised at fair value through profit or loss, as well as cash and cash equivalents totalled EUR 74.7 (31 December 2020: 93.2) million. Cash reserves are primarily invested in low-risk, liquid investment objects.

At the end of June, the Group's equity ratio was EUR 80.5 (31 December 2020: 85.7) per cent and net gearing was -19.6 (31 December 2020: -30.8) per cent. The return on investments (ROIC) was 8.9 (31 December 2020: 11.7) per cent and the comparable return on investments (ROIC) was 6.6 (31 December 2020: 11.1) per cent.

Raisio paid dividends of EUR 20.6 (20.5) million, available for shareholders from 22nd April 2021. The dividend per share was EUR 0.13 for each restricted and free share.

Key figures for the balance sheet and financing

		30.6.2021	30.6.2020	31.12.2020
Cash flow from operations	M€	15.4	9.9	34.7
Equity ratio	%	80.5	85.6	85.7
Net gearing	%	-19.6	-28.4	-30.8
Net interest-bearing debt	M€	-52.3	-72.4	-83.0
Equity per share	€	1.69	1.62	1.71
Investments	M€	12.5	12.9	28.5
Return on investment (ROIC)	%	6.6	9.8	11.1
Return on investment (ROIC)	%	8.9	9.8	11.7

INVESTMENTS

In April–June, Raisio's investments totalled EUR 6.0 (7.2) million, or 9.0 (12.1) per cent of net sales.

The January–June investments totalled EUR 12.5 (12.9) million, or 10.7 (11.3) per cent of net sales. The most significant share of the investments carried out during the reporting period was for the new, modern production facility being built in Raisio's industrial area. The investment was technically completed during the first quarter of 2021, and the project has now advanced from process testing to the production phase as planned. The first consumer products to come out of the production facility will be in shops in Finland at the turn of August–September of the current year.

During the second quarter, the decision was also made to renew the pasta line located in Raisio's industrial area. This requires a replacement investment of approximately EUR 3.5 million. The investment will be completed in summer 2022 and will facilitate a better collective use of different ingredients and new commercial product applications.

PERSONNEL

At the end of June, Raisio Group employed 403 (364) people. In terms of personnel, the Healthy Food Segment had 142 (132), Healthy Ingredients Segment 213 (182) and Other Operations 48 (50) employees. Altogether 17 (18) per cent of the personnel were working in Raisio's foreign operations.

RESEARCH AND DEVELOPMENT

Raisio's research and development expenses in January–June totalled EUR 2.0 (2.2) million, or 1.7 (1.9) per cent of net sales. Raisio's research and development expenses included an acquisition expense of EUR 0.2 (0.0) million for the new production facility being built in Raisio's industrial area.

In keeping with Raisio's strategic goals, our research and product development investments are focused on achieving even better capabilities and properties in select consumer brands, particularly as concerns gluten-free oats as raw material and the ongoing product and application developments of Benecol. The isolation measures and restrictions on movement brought about by the coronavirus pandemic have caused the rescheduling of research and development projects.

Gluten-free Elovena instant porridge options, Elovena Voimakaura 100% oat snack biscuits and Benecol soft cheeses were all launched at the beginning of the year. More new products will be available to consumers at the turn of August–September, when the new production plant begins to turn out its consumer products in Finland. The first of the future launches was announced on 10 June 2021 in connection with the strategy update.

SEGMENT INFORMATION

HEALTHY FOOD SEGMENT

The Healthy Food Segment includes Raisio's consumer product businesses in the Western, Eastern, Central and Northern European markets.

Financial development, April–June

The Healthy Food Segment's net sales totalled EUR 34.7 (31.6) million. The net sales from the operations in Northern and Western Europe increased significantly and development within the Eastern and Central

European markets remained uniform with the exception of Russia, where the decrease in net sales continued to be considerable due to poor exchange rates. Verso Food's business is still currently focused on sales in Finland, where it had a positive impact on net sales, but will continue, also in the near future, to have a negative impact on profitability. Consumer markets in Western Europe comprise the largest single market area for Raisio and it brought significant growth in terms of both net sales and EBIT during the second quarter.

Altogether approximately 42 per cent of the Healthy Food Segment's net sales were generated in Northern Europe, where Raisio's well-known brands are Elovena, Benecol, Beanit, Härkis, Sunnuntai, Nalle and Torino. Around 45 per cent of net sales were generated from the sale of Benecol products in the Western European markets. The rest of the net sales, about 13 per cent, were generated in Eastern and Central Europe, where Benecol and Nordic are among Raisio's well-known brands.

The Healthy Food Segment's comparable EBIT amounted to EUR 4.1 (4.0) million, which accounted for 11.7 (12.7) per cent of net sales. EBIT was EUR 3.9 (4.0) million, which accounted for 11.3 (12.7) per cent of net sales. During the second quarter, marketing investments increased significantly in relation to the comparison period, but despite this fact, EBIT remained at the same level as the previous year. Relative profitability decreased slightly, however, as a result of this increase and the unprofitability of the Verso Food business. The Russian market has experienced price pressures from transport and raw material costs, in addition to unfavourable currency issues. Price increases were implemented within this market during the second quarter as a means of compensating for these price pressures. The impact of the currency rates on the profitability of the entire Healthy Food Segment was modest, but mildly positive during the second quarter.

The currency conversion impact on the Healthy Food Segment's net sales was EUR 0.1 (-0.5) million and EUR 0.1 (-0.1) million on comparable EBIT and EBIT.

Financial development, January–June

The Healthy Food Segment's net sales totalled EUR 69.1 (68.9) million. Net sales managed to reach the level achieved within the highly volatile operational environment of the comparison period, even though certain brands had a decrease in volumes from the exceptional levels caused by panic buying during that same period. The top brands in the focus of Raisio's strategy succeeded brilliantly, however, within the different markets, with consideration for the exceptional comparison period. More and more markets are gradually beginning to level off and show signs of emerging growth, with the markets in the UK, Finland and Ireland showing the most pronounced move in a positive direction. The greatest challenges have been in Russia, where measures to support the business and pricing power have been implemented as possible.

The Healthy Food Segment's comparable EBIT amounted to EUR 8.9 (9.3) million, which accounted for 12.9 (13.5) per cent of net sales. EBIT was EUR 8.8 (9.3) million, which accounted for 12.7 (13.5) per cent of net sales. Profitability held at a good level during the first half of the year despite the gradually increasing investments in sales and marketing. In terms of currencies, the ruble had the greatest negative impact on net sales, but its impact on profitability was neutral.

The currency conversion impact on the Healthy Food Segment's net sales was EUR -0.9 (-0.2) million and EUR 0.0 (0.0) million on comparable EBIT and EBIT.

Raisio's strong brands have demonstrated their ability to remain a permanent and key part of consumers' daily lives within the different prevailing circumstances around them. The Healthy Food Segment has an outstanding foundation from which to advance the growth targets presented in our updated strategy for the coming quarters and years.

Key figures for the Healthy Food Segment

		4–6/2021	4–6/2020	1–6/2021	1–6/2020	1–12/2020
Net sales	M€	34.7	31.6	69.1	68.9	135.3
Western Europe	M€	15.6	13.9	31.1	30.2	59.1
Northern Europe	M€	14.6	12.5	28.5	27.7	55.5
Eastern and Central Europe	M€	4.5	5.2	9.5	11.1	20.8
Comparable EBIT	M€	4.1	4.0	8.9	9.3	18.6
Comparable EBIT	%	11.7	12.7	12.9	13.5	13.7
EBIT	M€	3.9	4.0	8.8	9.3	18.6
EBIT	%	11.3	12.7	12.7	13.5	13.7
Net assets	M€	84.7	81.8	84.7	81.8	82.4

Business reviews, April–June

Western Europe

Net sales for the Western European operations amounted to EUR 15.6 (13.9) million. EBIT improved significantly, both relatively and absolutely.

Net sales for the Benecol business in the UK grew significantly in relation to the comparison period. Benecol yogurt drinks saw the highest growth development. The sales and marketing costs increased clearly from those of the comparison period. The impact of the currency rates on net sales and EBIT was slightly positive during the quarter in review. Overall profitability increased significantly and relative profitability improved over the comparison period.

Consumers in the UK rapidly shifted their shopping preferences towards online sources over the past year and a half. Benecol's online sales benefitted greatly from this phenomenon, also during the first half of 2021. In the UK, a total of 27% of Benecol products are already being purchased online. In terms of online business, the older age groups were significantly faster than the younger age groups at increasing their share of online purchasing. The success during the second quarter is largely due to Benecol's biggest product categories, namely yogurt drinks and spreads, which achieved significant growth in relation to the comparison period. The lockdowns and restrictions in the UK have been extensive in comparison to Raisio's other key markets, but by the end of the review quarter, preparations were already being made to bring an end to the lockdowns entirely. The conditions and outlook seem to be considerably brighter, although the total opening of society also creates insecurity as the different variants of the virus continue to spread.

In Ireland, net sales increased significantly in relation to the comparison period, whereas EBIT bore the pressure of increased marketing investments. Marketing investments from the end of 2020 onwards have been successful and Benecol products have acquired new consumers within these markets. This is reflected as strong growth in net sales and the market share. In Belgium, net sales remained at the level of the comparison period, but EBIT weakened from the comparison period to the same degree as marketing costs increased. The ongoing pandemic has further impeded the realisation of new listings and related campaigns. With respect to population, the pandemic situation in Belgium has been among the worst in Europe and, as a result, the sales conditions have naturally been highly exceptional.

Northern Europe

Net sales for the Northern European operations amounted to EUR 14.6 (12.5) million. EBIT remained nearly at the same level as that of the comparison period. Raisio's brands succeeded excellently in the market. During the comparison period, particularly flakes, flour products and pasta achieved significantly higher than usual sales volumes. Sales of Elovena and Benecol products significantly exceeded those of the comparison period, but, for example, the Sunnuntai and Torino brands did not manage to reach the exceptionally high sales volume seen during the initial phase of the pandemic. Sales of the Beanit and Härkis brands grew slightly from the comparison period.

Over the past year, launched Elovena Gluten Free products grew strongly in popularity with consumers. Sales increased more than 10 per cent in relation to the comparison period. The sales of instant porridge, snack biscuits and flakes increased particularly well. Sales of Benecol products increased in Finland by more than 15 per cent, even though sales during the comparison period set the bar high. The renewed yogurt drinks continued their positive growth. The only Benecol category to see a slight drop in volumes in relation to the comparison period was spreads. This outcome is comparable to the decreasing volumes of Torino and Sunnuntai products and it demonstrates well the conditions experienced during the comparison period, when eating and cooking at home was a phenomena all around the world.

Eastern and Central Europe

Net sales for the Eastern and Central European operations declined significantly to EUR 4.5 (5.2) million. Profitability also declined significantly in relation to the comparison period. The currency rates developed unfavourably in all the Eastern and Central European markets, and particularly in Russia and Ukraine.

Euro-denominated net sales and EBIT in Russia decreased considerably from the figures of the comparison period. Profitability was lowered by increased prices for transportation, packaging and raw materials. As a result of the ongoing change in the purchase behaviours of consumers, Raisio's online sales grew in customer channels in large cities, which was in line with the development and change of purchasing behaviour seen within other markets. Within the Russian market, Raisio is seeking more expansive shop coverage and ways to increase the brand recognition to facilitate future growth, also in areas outside of Moscow and St. Petersburg.

During the second quarter, shop coverage was further expanded and the necessary price increases were negotiated as a means of managing cost inflation.

Euro-denominated net sales in Ukraine remained at the level of the comparison period, but profitability decreased. Ukraine has suffered from occasional distribution difficulties, which has naturally had a negative impact on sales and distribution coverage. During the current year, distribution agreements have been updated to facilitate a considerably better and uniform entry into the market. The development in local currencies in relation to the euro has been, during the second quarter and entire first half of 2021, a negative external factor that has continued to have significant direct impacts on euro-denominated sales in relation to the comparison period, although the impact on profitability was neutral.

Net sales in Poland increased slightly and EBIT weakened significantly from the comparison period as a result of costs related to the launching of new products. We managed to integrate price increases into the prices and the distribution coverage to different shops improved. The gradually rising trend in net sales continued in a positive direction. A large proportion of Poland's Benecol distribution is focused on larger shops, whose operations have been seriously disrupted during the pandemic. In Poland, preparations are being made to lift restrictions and, during the second quarter, this was seen also in the fact that the opening hours of shopping centres began to normalise. This will also provide even better operational opportunities for Raisio in the future. In Poland, as well as in many of Raisio's other markets, sales through the so-called discounter channel has

increased, particularly during the pandemic. Raisio's current distribution to actors in these areas is still being built.

HEALTHY INGREDIENTS SEGMENT

The Healthy Ingredients Segment includes the sale of fish feeds and the Benecol product ingredient, as well as the sale of grain- and plant-based products to industrial and catering companies.

Financial development, April–June

The Healthy Ingredients Segment's net sales totalled EUR 38.9 (34.3) million. Sales in the Healthy Ingredients Segment increased, particularly as a result of Raisioaqua's success in Russia and the positive development of B2B sales of grain-based products, which was significantly better than during the comparison period. Oat-based B2C and B2B products are at the core of Raisio's strategy. Growth in this area has been especially rapid and the expansion of the customer base is proceeding as planned. Plant-based ingredients are also a strongly developing strategic focal area, which, following the acquisition of Verso Food, can now be advanced with the help of the strong sales network within the operational areas of our Healthy Ingredients Segment.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 2.3 (3.7) million, which accounted for 5.9 (10.9) per cent of net sales. EBIT was EUR 1.7 (3.7) million, which accounted for 4.4 (10.9) per cent of net sales. In relation to the comparison period, profitability was burdened, as stated earlier, by costs from the start-up of production at our new production plant prior to the initiation of actual deliveries to shops. Profitability was also weighed down by the unprofitability of the Verso Food business. Some expenses resulted from inventory losses at the Nokia mill. The rapid growth in sales achieved by Raisioaqua during the second quarter appeared as increasing production costs, that burdened the relative profitability.

Financial development, January–June

The Healthy Ingredients Segment's net sales totalled EUR 61.2 (59.9) million. Net sales were boosted by Raisioaqua's solid success in the Russian market and the further significant growth in the domestic and foreign sales of grain products to bakeries and industrial and catering customers. Net sales dropped as a result of the reduced volume of external grain trade.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 2.9 (5.9) million, which accounted for 4.8 (9.9) per cent of net sales. EBIT was EUR 5.2 (5.9) million, which accounted for 8.4 (9.9) per cent of net sales. Comparable EBIT was burdened by costs related to the start up of our growth investments, the amount of which corresponded to our expectations and the levels earlier communicated by us.

Key figures for the Healthy Ingredients Segment

		4–6/2021	4–6/2020	1–6/2021	1–6/2020	1–12/2020
Net sales	M€	38.9	34.3	61.2	59.9	125.6
Comparable EBIT, M€	M€	2.3	3.7	2.9	5.9	12.6
Comparable EBIT, %	%	5.9	10.9	4.8	9.9	10.0
EBIT	M€	1.7	3.7	5.2	5.9	12.6
EBIT	%	4.4	10.9	8.4	9.9	10.0
Net assets	M€	118.0	85.0	118.0	85.0	91.9

Business reviews, April–June

Fish feeds

The overall sales for the second quarter grew significantly from those of the comparison period. Advance sales to Russia during the previous year were higher than usual already during the first quarter as a result of the mild winter and the fact that, in response to the outbreak of the coronavirus pandemic, customers were preparing for possible disruptions to cross-border deliveries. This had a partial impact on this second quarter, but despite sales sequencing, the entire first half of the year has been a success in the Russian market and overall sales have grown remarkably. In Finland, our other key market, the net sales development has been fairly stable in relation to the comparison period.

Raisioaqua decided to develop its popular Growth Sonar (Kasvuluotain) technology for customers in order to create a more advanced version. As a result of the development work, fish farmer customers can gain an even better overall picture of the feeding and farming process, thereby enabling them to improve and optimise their use of fish feeds. The new Growth Sonar 2.0 technology has already been delivered to customers, as well as digital control systems intended to facilitate and improve customers' operations. These new technologies will also further improve customers' possibilities to monitor their inventory in real-time and to make orders based on stock and feeding amounts.

BtoB sales of grain-based products

Raisio's sales to Finnish bakeries and to industrial and catering customers increased. Sales in oat products and gluten-free oat products developed particularly well. The sales mix continued its shift to products with a higher degree of processing and, at the same time, the export volumes increased strongly in relation to the comparison period. Success in our strategy-related growth areas had a positive impact on profitability.

Raisio continued its determined efforts to raise awareness of the company's oat products and oat expertise, particularly among international food industry operators. Growth in demand for oat and its ingredients continued to remain strong, exceeding the growth of the comparison period by 35 per cent. In particular, the demand for gluten-free oats within the domestic and export markets has increased to an extremely significant degree. Raisio's export customers are both industrial end-users and distributors. Additional new export customers were gained during the second quarter. The expansion of the customer base will provide Raisio with more comprehensive recognition and a growing market position within this strategically important business area.

Benecol product ingredient sales to license partners

Raisio's plant stanol ester deliveries to license partners increased from the comparison period, primarily as a result of timing of the deliveries. For the same reason, profitability was also at a higher level in relation to the comparison period. The traditional licensing model will continue to be a way of offering Benecol products in the markets where Raisio does not operate itself.

Grain procurement

Raisio's grain procurement primarily focuses on the acquisition of grain for the manufacturing of its own products. In accordance with our strategy, we are investing in the production and sales of value-added products. Actual external grain trade is part of Raisio's grain trade activities, but because of its low profitability, it is not included as one of the company's strategic areas of focus and its volumes are currently fairly modest.

The global strengthening of wheat prices continues to be reflected in the domestic grain market. The exceptional farming conditions during the summer of 2020 and the resulting reduced production of wheat continue to impact the domestic wheat market. In the international market, it appears that the high price of wheat will also continue throughout the new harvest season next autumn. The price development of oats has been more stable and remains at the same level as it was during the comparison period. The grain supply was normal in Finland at the start of the year.

Farming contracts for the new harvest period have been signed actively and Raisio has managed to increase its number of contracts for the new season of 2021/2022. The beginning of the growth season in 2021 was highly exceptional. Rains slowed the drying of the fields and the spring grain sowing season stretched into June. The weak conditions affected the farmlands used to cultivate grain and they decreased by two per cent from the previous year. The overall crop forecast at the end of June predicts lower production figures than those seen last year.

SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-June totalled 17.8 (23.5) million. The value of trading was EUR 69.7 (76.8) million and the average price EUR 3.91 (3.27). The closing price on 30 June 2021 was EUR 3.77.

A total of 1.2 (1.0) million restricted shares were traded in January-June. The value of trading was EUR 4.8 (3.5) million and the average price EUR 3.90 (3.35). The closing price on 30 June 2021 was EUR 3.82

On 30 June 2021, the company had a total of 35,346 (31 December 2020: 36,879) registered shareholders. Foreign ownership of the entire share capital was 18.2 (31 December 2020: 17.6) per cent.

Raisio plc's market capitalisation at the end of June totalled EUR 624.2 (31 December 2020: 528.7) million and, excluding the company shares held by the company, EUR 598.9 (31 December 2020: 504.1) million.

During the review period, a total of 447,542 restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 134,151,214 while the number of restricted shares was 30,997,816. The share capital entitled to 754,107,534 votes.

In the review period, a total of 4,591 free shares were assigned to the Chairman and members of the Board as part of the compensation for managing their duties, in line with the decision taken by the 2021 AGM.

At the end of the review period, Raisio plc held 6,485,854 free shares and 212,696 restricted shares. The number of free shares held by Raisio plc accounts for 4.8 per cent of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.7 per cent. In all, these shares represent 4.1 per cent of the entire share capital and 1.4 per cent of overall votes. Other Group companies hold no Raisio plc shares.

Raisio plc and its subsidiaries do not have any shares as collateral and did not have any in the review period.

Raisio plc's Research Foundation holds 150,510 restricted shares, which is 0.49 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the entire share capital and 0.40 per cent of the votes it represents.

The Board of Directors has an authority to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. Furthermore, the Board of Directors has the authority to decide on share issues by disposing of a maximum of 12,500,000 free shares and a maximum of 1,460,000 restricted shares held by the company as well as by issuing a maximum of 20,000,000 new free shares. The authorisations will be valid until the end of the following Annual General Meeting and until 30 April 2022 at the latest. The details on both are available in the Stock Exchange Release published on 13 April 2021.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

Raisio plc's Annual General Meeting (AGM) approved the financial statements for the financial year 1 January - 31 December 2020 and granted the members of the Board of Directors and the Supervisory Board as well as the CEO discharge from liability.

As proposed by the Board of Directors, the AGM decided to pay a dividend of EUR 0.13 for each restricted and free share. The dividend was paid on 22 April 2021 to a shareholder who was entered in the shareholders' register on the record date 15 April 2021. No dividend, however, was paid on the shares that were held by the company at that time.

The number of members of the Board of Directors was confirmed to be five (in 2020: six), and Erkki Haavisto, Leena Niemistö, Ann-Christine Sundell, Pekka Tennilä and Arto Tiitinen were reappointed; all for the term commencing at the closing of the AGM. At its meeting held after the AGM, the Board of Directors elected Arto Tiitinen as its Chairman and Ann-Christine Sundell as its Vice Chairman.

A Stock Exchange Release concerning the decisions made by the Meeting was published on 13 April 2021, in addition to which the decisions were described in the Interim Report for January-March 2021.

DIRECTED SHARE ISSUE

The Board of Directors of Raisio Plc resolved on 31 March 2021 of a directed share issue to Kavli Holding AS carried out as a part of the corporate acquisition of Verso Food Oy. In the directed share issue a total of 1,000,000 shares of the company's free shares held by Raisio Plc were transferred to Kavli Holding AS on 1 April 2021. The subscription price EUR 3.910 per share for the free shares was based on the trade volume weighted average exchange price of the free shares as of 31 March 2021, and was EUR 3,910,000 in total. The subscription price for the free shares was paid by transferring receivables owed by Verso Food Oy to Kavli

Holding AS corresponding to the aggregate subscription price of the free shares. The resolution on the directed share issue was made pursuant to the share issue authorisation given by the Annual General Meeting on 27 April 2020. The Board of Directors has concluded that there was a weighty financial reason to deviate from the pre-emptive right of the shareholders as the directed share issue enabled the completion of the acquisition and it was the Board of Directors' opinion that the acquisition of Verso Food Oy supported the company's strategy.

Kavli Holding AS undertook to comply with a lock-up period for the free shares during which Kavli Holding AS may not sell or otherwise transfer more than 250,000 of the said shares within each three-month period during a 12-month period. The conveyed shares represented approximately 0.75 per cent of the company's free shares and approximately 0.61 per cent of all shares in the company and 0.13 per cent of the votes in the company conferred by all shares. Since the issued free shares were held by the company, the directed share issue did not affect the total amount of shares in the company, which remains as 165,149,030 shares.

SHORT-TERM RISKS AND SOURCES OF UNCERTAINTY

The risks and sources of uncertainty presented in Raisio's 2020 Financial Statements and Financial Statements Bulletin are current and up to date. The restrictions resulting from the pandemic and possible extensive sick leaves across the production and delivery chains may still have an impact on the company's operational ability. Raisio has implemented widescale measures to reduce any possible risks and their impacts. The impacts of the COVID-19 pandemic have also been described in the section of this report entitled 'Operating environment and COVID-19'.

Under normal conditions, Raisio's most significant short-term business risks are related to general economic development and consumer demand. Extreme weather phenomena and changes in the availability, quality and price of the key raw materials, such as grains and sterols, are a major challenge for Raisio's operations. Changes in key currencies relevant for Raisio and currency conversions affect Raisio's net sales and EBIT both directly and indirectly. Their overall impact is explained in detail in the financial reports to provide a better and more comprehensive overall picture of the situation and related risks.

EVENTS FOLLOWING THE REVIEW PERIOD

Raisio had no reported events after the review period.

In Raisio, Finland, 4 August 2021
Raisio plc
Board of Directors

Further information:

Pekka Kuusniemi, CEO, tel. +358 50 537 3883
Mika Saarinen, CFO, tel. +358 40 072 6808

The information in this Half-Year Financial Report is unaudited.

Raisio's Interim Report for the third quarter of 2021 will be published on 3 November 2021.

TABLE SECTION

THE GROUP'S INCOME STATEMENT (M€)

	1–6/2021	1–6/2020	1–12/2020	4–6/2021	4–6/2020
Net sales	116.6	114.6	233.6	66.7	59.9
Cost of sales	-86.8	-81.4	-168.8	-50.9	-44.0
Gross profit	29.8	33.2	64.8	15.8	15.9
Other operating income and expenses, net	-17.8	-19.7	-35.9	-11.2	-8.9
EBIT	12.0	13.6	28.9	4.5	7.0
Financial income	2.3	0.7	2.0	0.7	0.5
Financial expenses	-1.4	-2.1	-1.4	-0.2	2.0
Result before taxes	12.9	12.1	29.4	5.1	9.5
Income taxes	-2.7	-2.7	-6.0	-1.1	-2.1
Result for the period	10.2	9.5	23.4	4.0	7.4
Attributable to					
Equity holders of the parent company	10.2	9.5	23.4	4.0	7.4
Earnings per share from the profit attributable to equity holders of the parent company (€)					
Undiluted earnings per share	0.06	0.06	0.15	0.03	0.05
Diluted earnings per share	0.06	0.06	0.15	0.03	0.05

THE GROUP'S COMPREHENSIVE INCOME STATEMENT (M€)

	1–6/2021	1–6/2020	1–12/2020	4–6/2021	4–6/2020
Result for the period	10.2	9.5	23.4	4.0	7.4
Other comprehensive income items					
Items that will not be reclassified to profit or loss					
Change in fair value of equity investments	0.5	0.3	0.3	0.5	0.0
Tax impact	-0.1	-0.1	-0.1	-0.1	0.0
Items that will not be reclassified to profit or loss, total	0.4	0.2	0.2	0.4	0.0
Items that may be subsequently transferred to profit or loss					
Change in value of cash flow hedging	-0.3	1.0	0.2	0.6	-0.3
Change in translation differences related to foreign companies	4.0	-6.4	-5.8	-0.6	-2.0
Tax impact	0.1	-0.2	0.0	-0.1	0.1
Items that may be subsequently transferred to profit or loss, total	3.7	-5.6	-5.6	-0.1	-2.2
Comprehensive income for the period	14.3	4.1	18.0	4.3	5.2
Components of comprehensive income					
Equity holders of the parent company	14.3	4.1	18.0	4.3	5.2

THE GROUP'S BALANCE SHEET (M€)

ASSETS	30.6.2021	30.6.2020	31.12.2020
Non-current assets			
Intangible assets	35.8	31.4	32.0
Goodwill	48.6	45.2	45.9
Tangible assets	95.3	60.9	73.1
Equity investments	2.9	2.8	2.8
Deferred tax assets	3.9	4.8	2.3
Total non-current assets	186.4	145.1	156.1
Current assets			
Inventories	39.8	44.4	37.1
Accounts receivables and other receivables	32.3	31.1	28.0
Financial assets at fair value through profit or loss	55.7	62.6	71.8
Cash and bank receivables	18.9	15.4	21.5
Total current assets	146.7	153.5	158.5
Total assets	333.1	298.6	314.6
SHAREHOLDER'S EQUITY AND LIABILITIES	30.6.2021	30.6.2020	31.12.2020
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-17.8	-19.6	-19.6
Other equity attributable to equity holders of the parent company	257.5	247.1	261.4
Equity attributable to equity holders of the parent company	267.5	255.3	269.5
Non-controlling interests	-	-	-
Total shareholder's equity	267.5	255.3	269.5
Non-current liabilities			
Deferred tax liabilities	6.6	5.1	6.3
Non-current financial liabilities	21.2	4.2	9.6
Total non-current liabilities	27.8	9.3	15.9
Current liabilities			
Provisions	-	1.2	-
Accounts payable and other liabilities	36.3	32.1	28.2
Derivative contracts	0.4	0.1	0.3
Current financial liabilities	1.1	0.7	0.6
Total current liabilities	37.8	34.1	29.1
Total liabilities	65.6	43.3	45.0
Total shareholder's equity and liabilities	333.1	298.6	314.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (M€)

	Share capital	Share premium reserve	Re-serve fund	Invested unres- tricted equity fund	Other reserves	Company shares	Trans- lation differ- ences	Retained earnings	Equity at- tributable to equity holders of the parent company
Shareholders' equity on 1 Jan 2021	27.8	2.9	88.6	8.0	-0.9	-19.6	-20.6	183.2	269.5
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	10.2	10.2
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.5	-	-	-	0.5
Change in value of cash flow hedging	-	-	-	-	-0.3	-	-	-	-0.3
Change in translation differences related to foreign companies	-	-	-	-	-	-	4.0	-	4.0
Tax impact	-	-	-	-	0.0	-	-	-	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.1	0.0	4.0	10.2	14.3
Business activities involving shareholders									
Dividends	-	-	-	-	-	-	-	-20.6	-20.6
Acquired businesses	-	-	-	2.1	-	1.8	-	-	3.9
Share-based payments	-	-	-	-	-	-	-	0.4	0.4
Total business activities involving shareholders	0.0	0.0	0.0	2.1	0.0	1.8	0.0	-20.2	-16.3
Shareholders' equity on 30 June 2021	27.8	2.9	88.6	10.2	-0.7	-17.8	-16.6	173.2	267.5

	Share capital	Share premium reserve	Re-serve fund	Invested unres- tricted equity fund	Other reserves	Company shares	Trans- lation differ- ences	Retained earnings	Equity at- tributable to equity holders of the parent company
Shareholders' equity on 1 Jan 2020	27.8	2.9	88.6	8.0	-1.3	-19.8	-14.8	179.7	271.3
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	9.5	9.5
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.3	-	-	-	0.3
Change in value of cash flow hedging	-	-	-	-	1.0	-	-	-	1.0
Change in translation differences related to foreign companies	-	-	-	-	-	-	-6.4	-	-6.4
Tax impact	-	-	-	-	-0.3	-	-	-	-0.3
Total comprehensive income for the period	0.0	0.0	0.0	0.0	1.1	0.0	-6.4	9.5	4.1
Business activities involving shareholders									
Share-based payments	-	-	-	-	-	0.1	-	0.2	0.3
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-20.3	-20.1
Shareholders' equity on 30 June 2020	27.8	2.9	88.6	8.0	-0.2	-19.6	-21.2	168.9	255.3

	Share capital	Share premium reserve	Re-serve fund	Invested unres- tricted equity fund	Other reserves	Company shares	Trans- lation differ- ences	Retained earnings	Equity at- tributable to equity holders of the parent company
Shareholders' equity on 1 Jan 2020	27.8	2.9	88.6	8.0	-1.3	-19.8	-14.8	179.7	271.3
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	23.4	23.4
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.3	-	-	-	0.3
Change in value of cash flow hedging	-	-	-	-	0.2	-	-	-	0.2
Change in translation differences related to foreign companies	-	-	-	-	-	-	-5.8	-	-5.8
Tax impact	-	-	-	-	-0.1	-	-	-	-0.1
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.4	0.0	-5.8	23.4	18.0
Business activities involving shareholders									
Dividends	-	-	-	-	-	-	-	-20.5	-20.5
Unclaimed dividends	-	-	-	-	-	-	-	0.1	0.1
Transfer from other funds to retained earnings	-	-	-	-	-	-	-	-	0.0
Share-based payments	-	-	-	-	-	0.2	-	0.5	0.6
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.2	0.0	-19.9	-19.7
Shareholders' equity on 31 December 2020	27.8	2.9	88.6	8.0	-0.9	-19.6	-20.6	183.2	269.5

CONSOLIDATED CASH FLOW STATEMENT (M€)

	1–6/2021	1–6/2020	1–12/2020	4–6/2021	4–6/2020
CASH FLOW FROM BUSINESS OPERATIONS					
Result before taxes	12.9	12.1	29.4	5.1	9.5
Adjustments:					
Planned depreciations	3.4	3.1	6.2	1.8	1.6
Financial income and expenses	-0.8	1.4	-0.5	-0.5	-2.5
Other adjustments	0.4	0.3	-0.6	0.2	0.1
Total adjustments	3.0	4.8	5.1	1.5	-0.9
Cash flow before change in working capital	15.8	17.0	34.5	6.6	8.6
Change in working capital					
Increase (-) / decrease (+) in current receivables	-2.9	-1.2	2.1	0.7	2.1
Increase (-) / decrease (+) in inventories	-2.0	-7.0	0.1	0.2	-1.9
Increase (+) / decrease (-) in current interest-free liabilities	5.2	5.3	1.6	5.3	-0.4
Total change in working capital	0.4	-2.9	3.8	6.1	-0.3
Cash flow from business operations before financial items and taxes	16.2	14.1	38.3	12.7	8.3
Interest paid and payments for other financial expenses from business operations	-0.3	-0.6	-0.6	-0.2	-0.2
Dividends received from business operations	0.1	0.2	0.2	0.1	0.2
Interest received and other financial income from business operations	0.3	0.3	0.5	0.2	0.1
Other financial items, net	0.4	0.1	0.3	0.1	0.2
Income taxes paid	-1.3	-4.2	-4.0	-0.7	-2.6
Cash flow from business operations after financial items and taxes	15.4	9.9	34.7	12.2	6.0
CASH FLOW FROM INVESTMENTS					
Investment in tangible assets	-6.2	-9.6	-18.9	-3.4	-4.2
Investment in intangible assets	-0.7	-0.4	-1.1	-0.5	-0.2
Income from intangible and tangible commodities	0.4	0.5	0.7	0.0	0.0
Acquired businesses	-7.0	-	-	-7.0	-
Net cash flow from investments	-13.5	-9.5	-19.4	-10.9	-4.3
Cash flow after investments	1.8	0.4	15.3	1.3	1.7
CASH FLOW FROM FINANCIAL OPERATIONS					
Other financial items, net	1.3	-	-0.3	0.1	-
Payments associated with the reduction in lease liability	-0.5	-0.4	-0.8	-0.3	-0.2
Dividends and other profit distribution paid to shareholders of the parent company	-20.5	-20.4	-20.4	-20.5	-20.4
Net cash flow from financial operations	-19.7	-20.8	-21.6	-20.7	-20.6
CHANGE IN LIQUID FUNDS	-17.8	-20.5	-6.2	-19.4	-18.9
Liquid funds at the beginning of the period	93.2	99.8	99.8		
Impact of changes in exchange rates	0.2	-0.6	-0.8		
Impact of changes in market value of the liquid funds	-0.9	-1.4	0.4		
Liquid funds at the end of the period	74.7	77.2	93.2		

NOTES TO THE INTERIM REPORT**Raisio Group**

Raisio plc is a Finnish public limited company. Raisio plc and its subsidiaries form the Raisio Group. The Group is domiciled in Raisio, Finland, and its registered address is Raisonkaari 55, FI-21200 Raisio. The company's shares are listed on NASDAQ OMX Helsinki Ltd.

Accounting principles and presentation of figures

Raisio plc's Half-Year Financial Report for January–June 2021 has been prepared in accordance with IAS 34, Interim Financial Reporting regulations. In the preparation of the Half-year Financial Report, Raisio plc has followed the same accounting principles as in the 2020 Financial Statements with the exception of the standard amendments and interpretations concerning Raisio plc that came into effect in 2021.

The standard amendments and interpretations that entered into effect on 1 January 2021 have had no material impact on EBIT of the Half-Year Financial Report, financial position or the presentation of the Interim Financial Report.

The Half-Year Financial Report is shown in EUR millions.

Management's judgement

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Although these estimates are based on the management's best knowledge of current events, actual results may differ from the estimates.

Compared to the 2020 Financial Statements, there have been no significant changes in the accounting principles or uncertainties included in the estimates requiring management's judgement. We have reported separately on the impacts of the COVID-19 pandemic. For Raisio Group, the most significant estimates in which management has used discretion relate to the possible impairment of assets of goodwill and intangible assets with indefinite financially useful lives as well as unfinished intangible assets, and to the fair value determination of the assets acquired in the business combination, to the amount of deferred tax asset and to what extent the tax asset can be recognised in the balance sheet, to the determination of depreciation periods, to the assessment of accounts receivable and inventories, and to the classification of lease periods and assets as held for sale or to be discontinued.

Impacts of COVID-19 on Raisio's financial reporting

Raisio's operating environment changed considerably as the coronavirus epidemic (COVID-19) and measures to prevent its spread closed down the economy to a significant extent from the beginning of 2020. This was still reflected negatively in Raisio's operations during the second quarter of 2021, as the company's most significant export countries remained subject to strict lockdowns and restrictions on movement. Raisio Group has assessed the impacts of the COVID-19 epidemic on the company's market environment, employees and business operations. The limitations resulting from the coronavirus epidemic and possible extensive sick leaves across the production and delivery chains may have an impact on the company's operational ability. Within this current operational environment, Raisio Group endeavours to prepare for the identified and likely impacts of the crisis as thoroughly as possible. The company's Board and management monitor the development of the coronavirus situation and update their assessment of the impacts as the situation proceeds.

Alternative key figures and items affecting comparability

The Group presents alternative key figures to describe the financial performance and position of its businesses as well as cash flows to improve the comparability between different periods and to increase understanding of the formation of the company's earnings and its financial position.

The alternative figure is derived from the IFRS financial statements. It is possible to present items affecting comparability and to calculate alternative key figures without items affecting comparability in the Board of Directors' report, Financial Statements Bulletin, Half-Year Reports and Interim Reports.

Items affecting comparability are income or expenses arising as a result of one or rare events. Significant expenses of outside experts related to business acquisitions and business expansion, expenses related to business reorganisation and expenses related to the impairment of assets and their possible repayment are presented as items affecting comparability.

Items affecting comparability are recorded in the income statement according to the matching principle under the income or expense category. The management uses these key figures to monitor and analyse business development, profitability and financial position.

Raisio Group enters the EUR 2.8 million for the sale of the receivable in other operating income and EUR 0.7 million in expenses related to the acquired businesses as an item affecting comparability.

SEGMENT INFORMATION

Raisio Group's reportable operating segments are Healthy Food, Healthy Ingredients and Other Operations.

The financial figures are comparable.

Revenue by segment (M€)

	1–6/2021	1–6/2020	1–12/2020
Healthy Food			
Western Europe	31.1	30.2	59.1
Northern Europe	28.5	27.7	55.5
Eastern and Central and Europe	9.5	11.1	20.8
Total Healthy Food	69.1	68.9	135.3
Healthy Ingredients	61.2	59.9	125.6
Other operations	0.7	0.7	1.5
Interdivisional net sales	-14.4	-14.9	-28.9
Total net sales	116.6	114.6	233.6

EBIT by segment (M€)

	1–6/2021	1–6/2020	1–12/2020
Healthy Food	8.8	9.3	18.6
Healthy Ingredients	5.2	5.9	12.6
Other operations	-1.9	-1.7	-2.3
Interdivisional	0.0	0.0	0.0
Total EBIT	12.0	13.6	28.9

The Healthy Ingredients Segment's EBIT includes EUR 2.8 million in other operating income for the sale of the receivable and EUR 0.6 million in costs related to the acquired businesses. The Healthy Food Segment's EBIT includes EUR 0.1 million reorganization costs related to the acquired businesses. These items have been handled as items affecting comparability.

Net assets by segment (M€)

	1–6/2021	1–6/2020	1–12/2020
Healthy Food	84.7	81.8	82.4
Healthy Ingredients	118.0	85.0	91.9
Other operations and unallocated items	64.9	88.5	95.3
Total net assets	267.5	255.3	269.5

Investment by segment (M€)

	1–6/2021	1–6/2020	1–12/2020
Healthy Food	0.3	0.4	0.6
Healthy Ingredients	11.3	11.9	26.2
Other operations	0.9	0.5	1.7
Total investments	12.5	12.9	28.5

SALES REVENUE
Revenue by country (M€)

	1–6/2021	1–6/2020	1–12/2020
Finland	44.6	43.4	89.5
Great Britain	26.4	26.0	50.6
Other	45.6	45.1	93.5
Total net sales	116.6	114.6	233.6

Net sales by group (M€)

	1–6/2021	1–6/2020	1–12/2020
Sales of goods	115.8	113.8	231.8
Sales of services	0.5	0.5	1.1
Royalties	0.3	0.3	0.7
Total net sales	116.6	114.6	233.6

ACQUIRED BUSINESSES, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Acquired businesses

On 1 April 2021, Raisio Group acquired the entire share capital and control of Verso Food Oy. Verso Food develops, processes and markets plant-based foods made from Finnish fava beans. The company operates primarily under the Beanit brand name and its sub-brand Härkis trademark. The company's products include, for example, Beanit chunks and Beanit mince. At Verso Food's near 4,000 m² production facility in Kauhava, Finland, the company processes protein- and fibre-rich raw materials before manufacturing and packaging them as plant-based foods. The company's customers include retail markets and industrial kitchens in Sweden and Finland.

The acquisition cost calculation is based on Verso Food's preliminary interim accounts on 31 March 2021, which was drawn up in accordance with IFRS Standards and the accounting principles of Raisio Group. As the determination of the asset items and liabilities at market value for the object of acquisition was incomplete on the reporting date, the initial accounting treatment for the consolidation of the businesses was tentatively set for 30 June 2021. For this reason, the net assets and the goodwill and brand value for the presented acquisitions are preliminary and may be adjusted once the determination of market value has been completed.

The EUR 1.8 million in preliminary brand value and EUR 0.5 million in goodwill for the acquisition is based on Raisio Group's strengthening position within the plant protein market. The acquisition of Verso Food fits well with Raisio Group's strategy, in which one key goal is growth derived from plant-based value added products. With Verso Food's help, Raisio Group became the market leader in the strongly emerging plant protein market in Finland.

No aspect of the entered goodwill and brand value are considered to be tax deductible.

The following table presents a summary of the remuneration paid for Verso Food Oy as well as the recognised assets and liabilities at the time of acquisition.

	EUR million
Consideration paid for shares on April 1, 2021	3.9
The assets and liabilities arising from the acquisitions are as follows	
Intangible assets	0.5
Tangible assets	6.9
Deferred tax assets	1.2
Inventories	0.6
Accounts receivables and other receivables	1.3
Cash and bank receivables	0.1
Non-current financial liabilities	-0.3
Accounts receivables and other receivables	-1.2
Current liabilities, cash pool	-7.0
Current financial liabilities	-0.1
Total identifiable net assets	1.9
Group assets	2.0
Group assets allocation	
Intangible assets, trade marks	1.8
Goodwill	0.5
Deferred tax liabilities	-0.3

A total of EUR 0.6 million in acquisition-related costs are included in the income statement concerning administrative expenses. The acquisition-related costs are presented as items affecting comparability.

The overall enterprise value for the acquisition-related arrangement was EUR 7 million and one million of the free shares held by Raisio plc. The share portion of the purchase was realised as a private placement.

	EUR million
Consideration paid for shares, settled in cash	3.9
Consideration paid for current liabilities, cash pool	
Settled in cash	3.1
Settled in own shares (1 million pieces)	3.9
Total	10.9

Verso Food Oy was merged with the figures of Raisio Group as of 1 April 2021. The net sales for the acquired business, including the income statement for the half-year review, showed a profit of EUR 1.9 million and loss of EUR 0.8 million.

If Verso Food Ltd had been consolidated into Raisio Group from the beginning of 2021, its effect on the Group's revenue would have been EUR 4.0 million and operating profit EUR -1.8 million.

Discontinued operations and assets held for sale

In the period of 1 January – 30 June 2021 and in 2020, there were no discontinued operations and assets for sale.

TANGIBLE RIGHT-OF-USE ASSETS (M€)

	30.6.2021	30.6.2020	31.12.2020
Acquisition cost at the beginning of the period	317.9	293.8	293.8
Translation differences	0.1	-0.3	-0.4
Additions, includes additions made in accordance with the IFRS 16 standard	11.8	12.5	27.4
Additions, acquired businesses	13.3	-	-
Decrease	-	-0.1	-2.8
Acquisition cost at the end of the period	343.2	305.9	317.9
Accumulated depreciation and impairment at the beginning of the period	244.8	242.7	242.7
Translation differences	0.1	-0.2	-0.4
Accumulated depreciation, acquired businesses	0.2	-	-
Decrease and transfers	-	-0.1	-2.7
Depreciations and impairment for the period	2.8	2.6	5.2
Accumulated depreciation and impairment at the end of the period	247.9	245.0	244.8
Book value at the end of the period	95.3	60.9	73.1

LEASED RIGHT-OF-USE ASSETS (M€)

	30.6.2021	30.6.2020	31.12.2020
Acquisition cost at the beginning of the period	11.7	2.1	2.1
Translation differences	0.0	0.0	0.0
Increase	5.9	4.1	9.9
Increase, acquired businesses	6.3	-	-
Divestment and other decreases	-0.1	-0.1	-0.3
Acquisition cost at the end of the period	23.8	6.1	11.7
Accumulated depreciation and impairment at the beginning of the period	-1.5	-1.0	-1.0
Translation differences	0.0	0.0	0.0
Accumulated depreciation of decrease and transfers	0.1	0.1	0.4
Depreciation for the financial period	-0.5	-0.4	-0.8
Accumulated depreciation and impairment at the end of the period	-1.9	-1.3	-1.5
Book value at the beginning of the period	10.2	1.1	1.1
Book value at the end of the period	21.9	4.8	10.2

The increases to the right-of-use assets during the review period include EUR 4.7 (3.9) million in acquisitions for process equipment related to the new production facility being built in Raisio's industrial area.

ITEMS FROM LEASES RECOGNIZED IN THE INCOME STATEMENT (M€)

	30.6.2021	30.6.2020	31.12.2020
Rental income	0.3	0.3	0.6
Depreciations for right-of-use assets	-0.5	-0.4	-0.7
Costs of short-term and low-value leases	0.0	0.0	0.0
Interest expenses related to leases	0.0	0.0	0.0
Total	-0.2	-0.1	-0.2
Outgoing cash flow resulting from leases	0.5	0.4	0.8

LEASE LIABILITIES (M€)

	30.6.2021	30.6.2020	31.12.2020
Non-current lease liabilities	10.2	1.1	1.1
Translation difference	0.0	0.0	0.0
Increase in lease liabilities, acquired businesses	6.3	-	-
Increase in lease liabilities	5.9	4.1	9.9
Payments related to decrease of lease liabilities	-0.5	-0.4	-0.8
Total	21.9	4.8	10.2
Non-current lease liabilities at the beginning of period	9.5	0.3	0.3
Non-current lease liabilities at the end of period	20.9	4.1	9.5
Current lease liabilities at the beginning of period	0.6	0.8	0.8
Current lease liabilities at the end of period	1.1	0.7	0.6

The increases to lease liabilities during the review period include EUR 4.7 (3.9) million in right-of-use asset acquisitions for process equipment related to the new production facility being built in Raisio's industrial area. Raisio Group has committed itself to approximately EUR 22 million in lease liabilities in connection with its new production facility. Around EUR 7.4 million of these lease liabilities have not yet commenced. In the future, the Group will be exposed to an annual outgoing cash flow of approximately EUR 1.8 million in connection with the new production facility.

PROVISIONS (M€)

	30.6.2021	30.6.2020	31.12.2020
At the beginning of the period	-	1.2	1.2
Translation differences	-	-0.1	-0.1
Increase in provisions	-	0.1	-
Provisions used	-	-	-1.1
At the end of the period	-	1.2	0.0

RELATED PARTY TRANSACTIONS (M€)

	30.6.2021	30.6.2020	31.12.2020
Sales to key employees in management	0.6	0.5	1.0
Purchases from key employees in management	0.4	0.7	0.9
Receivables from the key persons in the management	0.1	0.1	0.1
Payables to key management personnel	0.1	0.2	0.1

CONTINGENT LIABILITIES (M€)

	30.6.2021	30.6.2020	31.12.2020
Contingent off-balance sheet liabilities			
Other liabilities	0.2	2.6	0.7
Guarantee liabilities on the Group companies' commitments	5.2	1.4	2.2
Commitment to investment payments	0.3	37.2	5.7
Commitment to right-of-use assets	7.4	-	12.1
Contingent off-balance sheet assets			
Damages receivables based on an arbitration award	-	-	2.9

DERIVATIVE CONTRACTS (M€)

	30.6.2021	30.6.2020	31.12.2020
Nominal values of derivative contracts			
Currency forward contracts	28.3	47.4	34.5
Currency option	16.6	-	16.6

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (M€)

The table shows carrying amounts and fair values for each item. The carrying amounts correspond to the consolidated balance sheet values. The principles used by the Group for measuring the fair value of all financial instruments are presented below.

Fair value hierarchy of financial assets and liabilities measured at fair value

	Carrying amount 30.6.2021	Fair value 30.6.2021	Carrying amount 31.12.2020	Fair value 31.12.2020
Financial assets				
Equity investments*)	2.9	2.9	2.8	2.8
Accounts receivables and other receivables	31.0	31.0	26.9	26.9
Investments recorded at fair value through profit or loss*)	55.7	55.7	71.7	71.7
Liquid funds	18.9	18.9	21.5	21.5
Derivatives*)	-	-	0.1	0.1
Financial liabilities				
Other loans	0.4	0.0	0.0	0.0
Lease liabilities	21.9	21.9	10.2	10.2
Accounts payable and other liabilities	24.0	24.0	20.2	20.2
Derivatives*)	0.4	0.4	0.3	0.3

Of the financial assets and liabilities measured at fair value *), all except the equity investments are on the level 2. The fair value of the level 2 items is defined by valuation techniques using market pricing valuations provided by the service provider. Equity investments are on the level 3 as their fair value is not based on observable market data.

RECONCILIATIONS RELATED TO CASH FLOW STATEMENT
Other adjustments to cash flows from operations, continuing operations (M€)

	1–6/2021	1–6/2020	1–12/2020
Capital gains and losses of fixed assets	-	0.0	-0.1
Costs of share rewards	0.4	0.4	0.6
Provisions	-	0.0	-1.1
Other	0.0	0.0	0.0
Total adjustments in cash flow statement	0.4	0.3	-0.6

Income statement items containing no payment transaction and items presented elsewhere in the cash flow statement are adjusted.

Acquisitions and disposals of fixed assets of cash flow from investing (M€)

	1–6/2021	1–6/2020	1–12/2020
Acquisitions of fixed assets in total	-12.5	-12.9	-28.5
Payments for investments of earlier financial periods (change in liabilities)	5.6	-1.0	4.5
Contract on financing for investments from earlier years	-	3.9	3.9
Acquired businesses	-7.0	-	-
Investments funded by lease commitments or other interest-bearing debt	-0.5	-0.4	-0.8
Fixed asset acquisitions funded by cash payments	-14.4	-10.5	-20.9
Capital gain and loss on fixed assets in the income statement	0.4	0.5	0.4
Balance sheet value of disposed asset	0.0	0.0	0.3
Consideration received from fixed asset divestments in the cash flow statement	0.4	0.5	0.7

Reconciliation of liabilities related to financing activities (M€)

Non cash flow influenced changes						
	31.12.2020	Cash flows	IFRS 16	Changes in exchange rates	Acquired businesses	30.6.2021
Non-current liabilities	0.0	-	-	-	0.3	0.4
Lease liability	10.2	-0.5	5.9	0.0	6.3	21.9
Total liabilities for financing activities	10.2	-0.5	5.9	0.0	6.6	22.3

RECONCILIATIONS OF ALTERNATIVE KEY FIGURES

Items affecting comparable EBIT

		4–6/2021	4–6/2020	1–6/2021	1–6/2020	1–12/2020
Comparable EBIT		5.3	7.0	9.9	13.6	27.7
+ Expenses related to the acquired business	M€	-0.7	-	-0.7	-	-
+ Provision concerned to the discontinued business	M€	-	-	-	-	1.1
+/- Income from the sale of the receivable	M€	-	-	2.8	-	-
Items affecting comparability, in total	M€	-0.7	-	2.1	-	1.1
EBIT	M€	4.5	7.0	12.0	13.6	28.9

Items affecting comparable EBITDA

		4–6/2021	4–6/2020	1–6/2021	1–6/2020	1–12/2020
Comparable EBITDA		7.1	8.5	13.3	16.7	33.9
+/- Items affecting EBIT	M€	-0.7	-	2.1	-	1.1
Items affecting comparability, in total	M€	-0.7	-	2.1	-	1.1
EBITDA	M€	6.4	8.5	15.4	16.7	35.1
+/- Impairments	M€	-	-	-	0.0	0.0
+/- Depreciations	M€	-1.8	-1.6	-3.4	-3.1	-6.2
EBIT	M€	4.5	7.0	12.0	13.6	28.9

Items affecting comparable EBIT, Healthy Food Unit

		4–6/2021	4–6/2020	1–6/2021	1–6/2020	1–12/2020
Comparable EBIT	M€	4.1	4.0	8.9	9.3	18.6
+ Expenses related to the acquired business	M€	-0.1	-	-0.1	-	-
Items affecting comparability, in total	M€	-0.1	-	-0.1	-	-
EBIT	M€	3.9	4.0	8.8	9.3	18.6

Items affecting comparable EBIT, Healthy Ingredients Unit

		4–6/2021	4–6/2020	1–6/2021	1–6/2020	1–12/2020
Comparable EBIT	M€	2.3	3.7	2.9	5.9	12.6
+ Expenses related to the acquired business	M€	-0.6	-	-0.6	-	-
+/- Income from the sale of the receivable	M€	-	-	2.8	-	-
Items affecting comparability, in total	M€	-0.6	-	2.2	-	-
EBIT	M€	1.7	3.7	5.2	5.9	12.6

QUARTERLY EARNINGS (M€)

	4–6/ 2021	1–3/ 2021	10–12/ 2020	7–9/ 2020	4–6/ 2020	1–3/ 2020
Net sales by segment						
Healthy Food	34.7	34.4	33.9	32.5	31.6	37.3
Healthy Ingredients	38.9	22.3	26.4	39.2	34.3	25.6
Other operations	0.3	0.4	0.5	0.3	0.3	0.4
Interdivisional net sales	-7.3	-7.1	-6.9	-7.0	-6.4	-8.6
Total net sales	66.7	50.0	53.9	65.1	59.9	54.7
EBIT by segment						
Healthy Food	3.9	4.8	4.2	5.1	4.0	5.3
Healthy Ingredients	1.7	3.5	1.8	4.8	3.7	2.2
Other operations	-1.1	-0.8	-0.5	-0.1	-0.8	-0.9
Total EBIT	4.5	7.5	5.5	9.8	7.0	6.6
Financial income and expenses, net	0.5	0.3	1.1	0.8	2.5	-3.9
Result before taxes	5.1	7.8	6.7	10.6	9.5	2.7
Income taxes	-1.1	-1.6	-1.1	-2.2	-2.1	-0.6
Result for the period	4.0	6.2	5.6	8.4	7.4	2.1

	10–12/ 2019	7–9/ 2019	4–6/ 2019	1–3/ 2019
Net sales by segment				
Healthy Food	35.0	33.6	34.2	34.7
Healthy Ingredients	25.7	42.3	34.7	21.8
Other operations	0.5	0.3	0.3	0.4
Interdivisional net sales	-6.7	-7.0	-6.5	-7.0
Total net sales	54.5	69.2	62.7	49.9
EBIT by segment				
Healthy Food	4.1	5.6	4.5	4.0
Healthy Ingredients	1.8	5.4	3.9	1.3
Other operations	-1.6	-0.3	-1.2	-0.3
Total EBIT	4.3	10.7	7.3	5.0
Financial income and expenses, net	-0.2	0.6	0.6	0.3
Result before taxes	4.0	11.3	7.8	5.3
Income taxes	-0.1	-2.3	0.6	-1.1
Result for the period	4.0	9.0	8.4	4.1

KEY FIGURES

	30.6.2021	30.6.2020	31.12.2020
Net sales, M€	116.6	114.6	233.6
Change of net sales, %	1.7	1.8	-1.2
Operating margin, M€	15.4	16.7	35.1
Comparable operating margin, M€	13.3	16.7	33.9
Depreciation and impairment, M€	3.4	3.1	6.2
EBIT, M€	12.0	13.6	28.9
% of net sales	10.3	11.8	12.4
Comparable EBIT, M€	9.9	13.6	27.7
% of net sales	8.5	11.8	11.9
Result before taxes, M€	12.9	12.1	29.4
% of net sales	11.0	10.6	12.6
Return on equity, %	7.6	7.2	8.7
Return on investment ROIC, %	8.9	9.8	11.7
Comparable return on investment ROIC, %	6.6	9.8	11.1
Interest-bearing financial liabilities at end of period, M€	22.3	4.8	10.2
Net interest-bearing financial liabilities at end of period, M€	-52.3	-72.4	-83.0
Working capital	35.4	42.9	36.8
Equity ratio, %	80.5	85.6	85.7
Net gearing, %	-19.6	-28.4	-30.8
Gross investments, M€	12.5	12.9	28.5
% of net sales	10.7	11.3	12.2
R & D expenses, M€	2.0	2.2	4.3
% of net sales	1.7	1.9	1.9
Average personnel	375	345	348
Earnings/share, €	0.06	0.06	0.15
Comparable earnings/share, €	0.05	0.06	0.14
Cash flow from operations, M€	15.4	9.9	34.7
Cash flow from operations/share, €	0.10	0.06	0.22
Equity/share, €	1.69	1.62	1.71
Average number of shares during the period, in 1,000s			
Free shares	126 847	126 153	126 180
Restricted shares	31 100	31 238	31 236
Total *	157 946	157 391	157 416
Average number of shares at end of period, in 1,000s			
Free shares	127 665	126 202	126 213
Restricted shares	30 785	31 237	31 233
Total *	158 450	157 439	157 446
Market capitalisation of shares at end of period, M€			
Free shares	481.3	383.7	402.6
Restricted shares	117.6	96.2	101.5
Total *	598.9	479.9	504.1
Share price at end of period			
Free shares	3.77	3.04	3.19
Restricted shares	3.82	3.08	3.25

* Number of shares, excluding the company shares held by the Group

FORMULAS FOR KEY FIGURES

Earnings per share	Result for the year of parent company shareholders
	Average number of shares for the year, adjusted for share issue
Earnings per share shows the company's earnings per one share	

Formulas for alternative key figure calculation

EBIT	Earnings before income taxes, financial income and expenses presented in the IFRS consolidated income statement.
EBIT illustrates the economic profitability of operations and its development.	

Comparable EBIT	EBIT +/- items affecting comparability
Comparable EBIT shows economic profitability of the business operations and its development without items affecting comparability.	

EBIT, %	$\frac{\text{EBIT}}{\text{Net sales}} \times 100$
The figure shows the relation between EBIT and net sales.	

Comparable EBIT, %	$\frac{\text{Comparable EBIT}}{\text{Comparable net sales}} \times 100$
The figure shows the relationship between EBIT and net sales without items affecting comparability.	

EBITDA	EBIT + depreciations and impairment
EBITDA describes the earnings from business operations before depreciation, financial items and income taxes. It is an important indicator as it shows how much the margin is from net sales after deduction of operating expenses.	

Comparable EBITDA	EBIT +/- items affecting comparability + depreciations and impairment
Comparable EBITDA represents the earnings from business operations before depreciations, financial items, and income taxes without items affecting comparability.	

Earnings before taxes	Earnings before income taxes presented in the IFRS consolidated statements.
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Return on equity (ROE), %	$\frac{\text{Result before taxes} - \text{income taxes}}{\text{Shareholders' equity (average over the period)}} \times 100$
Return on equity measures the earnings for the financial period in proportion to equity. The figure shows the Group's ability to generate profits from the shareholders investments.	

Return on investment (ROIC), %	$\frac{\text{Result after taxes}}{\text{Operating cash* + net working capital + non-current assets}} \times 100$ (*Operating cash 4% of net sales)
Return on investment (ROIC) is a profitability or performance ratio that measures how much investors earn on the capital invested.	

Equity ratio, %	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{advances received}} \times 100$
The equity ratio is a key figure in the financial structure, which shows the share of equity of the capital tied up in the operations. The figure represents the Group's financial structure.	

Net working capital	$\text{Sales receivables and other receivables} + \text{inventories} - \text{accounts payable} - \text{other liabilities}$
Net working capital measures the amount of the financing tied up in the company's current activities and thus, also the efficiency of the use of capital.	

Net interest-bearing financial liabilities	Interest-bearing financial liabilities - liquid funds and liquid financial assets at fair value through profit or loss
Net interest-bearing financial liabilities measures the Group's net financial debt.	

Net gearing, %	$\frac{\text{Net interest-bearing financial liabilities}}{\text{Shareholders' equity}} \times 100$
Net gearing % shows what is the ratio of equity invested by owners to the interest-bearing liabilities of the financiers. High net gearing % is a risk factor that may restrict the company's growth opportunities and lower its financial leverage.	

Comparable earnings per share	$\frac{\text{Profit for the period attributable to the parent company shareholders} \pm \text{items affecting comparability}}{\text{Average number of shares during the period adjusted for issues}}$
Earnings per share represents the company's earnings per one share without items affecting comparability.	

Cash flow from business operations per share	$\frac{\text{Cash flow from business operations}}{\text{Average number of shares for the year, adjusted for share issue}}$
The figure represents the cash flow from business operations per one share.	

Shareholders' equity per share	$\frac{\text{Equity of parent company shareholders}}{\text{Number of shares at end of period adjusted for share issue}}$
Equity per share represents the company's equity per one share.	

Investments	Acquisition of non-current tangible and intangible assets on a gross basis.
Investments represents the total amount of investments.	

Market capitalisation	$\text{Closing price, adjusted for issue} \times \text{number of shares without company shares at the end of the period}$
The figure represents the value of the Group's share capital on the stock market.	



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