



# Financial Statements Bulletin 2021

Raisio plc



Financial Statements Bulletin of Raisio plc, 9 February 2022 at 8:30 a.m. Finnish time

## Heading into the strategy period with strong growth

### FINANCIAL DEVELOPMENT IN BRIEF

#### January–December 2021

- The Group's net sales totalled EUR 246.4 (233.6) million, which signified a growth of 5.5%.
- Comparable EBIT was EUR 22.1 (27.7) million, accounting for 9.0 (11.9)% of net sales. Comparable EBIT decreased by 20.4% in relation to the comparison period.
- EBIT was EUR 23.8\* (28.9) million, which accounted for 9.7 (12.4)% of net sales.
- The overall effect of currency conversions was EUR 0.9 (-2.5) million on net sales, EUR 0.3 (-0.4) million on the comparable EBIT and EUR 0.3 (-0.4) million on EBIT.
- The Healthy Food Segment's net sales totalled EUR 143.4 (135.3) million. Comparable EBIT was EUR 19.5 (18.6) million, accounting for 13.6 (13.7)% of net sales. EBIT was EUR 19.3 (18.6) million, which accounted for 13.4 (13.7)% of net sales.
- The Healthy Ingredients Segment's net sales totalled EUR 132.9 (125.6) million. Comparable EBIT was EUR 6.1 (12.6) million, accounting for 4.6 (10.0)% of net sales. EBIT was EUR 8.1 (12.6) million, which accounted for 6.1 (10.0)% of net sales.
- The Group's cash flow from business operations after financial items and taxes totalled EUR 34.5\*\* (34.7) million.
- The comparable return on investments (ROIC) was 8.3 (11.1)% and the return on investments (ROIC) was 8.8 (11.7)%.
- The Board of Director's dividend proposal for the Annual General Meeting is EUR 0.14 per share, of which EUR 0.10 is the basic dividend in accordance with the company's dividend policy and EUR 0.04 the supplementary dividend.

\* EBIT includes EUR 2.8 million in other operating income for the sale of the receivable, EUR 0.6 million in expenses related to the corporate acquisition and altogether EUR 0.5 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007).

\*\* The Group's cash flow includes EUR 2.8 million in other operating income for the sale of the receivable and EUR 2.3 million in tax refunds related to the UK business.

#### October–December 2021

- The Group's net sales totalled EUR 60.3 (53.9) million, which signified a growth of 11.8%.
- Comparable EBIT was EUR 3.9 (4.4) million, accounting for 6.5 (8.2)% of net sales. Comparable EBIT decreased by 10.7 % in relation to the comparison period.
- EBIT was EUR 3.5\* (5.5) million, which accounted for 5.9 (10.2)% of net sales.
- The overall effect of currency conversions was EUR 1.1 (-1.6) million on net sales, EUR 0.2 (-0.3) million on the comparable EBIT and EUR 0.2 (-0.3) million on EBIT.
- The Healthy Food Segment's net sales totalled EUR 38.0 (33.9) million. Comparable EBIT was EUR 5.0 (4.2) million, accounting for 13.1 (12.4)% of net sales. EBIT was EUR 4.9 (4.2) million, which accounted for 12.8 (12.4)% of net sales.



- The Healthy Ingredients Segment's net sales totalled EUR 30.4 (26.4) million. Comparable EBIT was EUR 0.3 (1.8) million, accounting for 0.8 (7.0)% of net sales. EBIT was EUR 0.0 (1.8) million, which accounted for 0.2 (7.0)% of net sales.

\* EBIT includes a total of EUR 0.4 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007).

## OUTLOOK 2022

Raisio's guidelines: In 2022, Raisio estimates that net sales will increase by 5 % (net sales in 2021: EUR 246.4 million). Our strategy-based growth investments place pressure on our relative profitability in comparison to the previous financial year.

## KEY FIGURES OF THE GROUP

		10-12/2021	10-12/2020	1-12/2021	1-12/2020
Net sales	M€	60.3	53.9	246.4	233.6
Change in net sales	%	11.8	-1.1	5.5	-1.2
Comparable EBITDA	M€	6.6	5.9	30.5	33.9
EBITDA	M€	6.2	7.1	32.2	35.1
Comparable EBIT	M€	3.9	4.4	22.1	27.7
Comparable EBIT of net sales	%	6.5	8.2	9.0	11.9
EBIT	M€	3.5	5.5	23.8	28.9
EBIT of net sales	%	5.9	10.2	9.7	12.4
Comparable earnings per share	€	0.03	0.03	0.12	0.14
Earnings per share	€	0.03	0.04	0.13	0.15

## CURRENCY CONVERSION IMPACTS ON NET SALES AND EBIT

		10-12/2021	10-12/2020	1-12/2021	1-12/2020
Net sales	M€	1.1	-1.6	0.9	-2.5
Comparable EBIT	M€	0.2	-0.3	0.3	-0.4
EBIT	M€	0.2	-0.3	0.3	-0.4

## CEO PEKKA KUUSNIEMI:

The year 2021 was a busy one for Raisio Group. During the year, we made a strategic corporate acquisition, we updated our strategy up to the year 2025, we started up a new production facility and we achieved unusually fast sales growth for the food industry already before the new strategy period got underway. The first quarter of the previous year was completely exceptional due to the wave of panic buying, which made it a challenging comparison period for 2021. From spring on, however, growth in terms of the comparison period was especially encouraging.

Our updated strategy draws its strength from megatrends which, as the pandemic eases, seem to be getting increasingly stronger. We have built competitive factors for the company with investments totalling approximately EUR 70 million over a three-year period, with the investment share for the previous year being EUR 24.2. (28.5) million. As we set out to realise the new strategy, I can state that this strong investment phase is behind us and we are now stepping from the sowing phase to the growth phase.

The net sales for the financial year increased to EUR 246.4 (233.6) million, which signified a growth of 5.5%. Growth during the final quarter of the year alone was as much as 11.8 per cent. Comparable EBIT declined due to long-term, systematic future building to EUR 22.1 (27.7) million, which accounted for 9.0 (11.9) per cent of net sales. In addition to the aforementioned measures aimed at growth, the hot summer and accelerated cost inflation during the autumn also put a strain on EBIT during the second half of the year. There are no mitigating means to counter weather conditions, but we are managing to deal with the cost inflation issues, albeit with a slight delay.

The performance of the Health Food Segment was good in all markets and excellent in some. I am especially thrilled about Raisio's strong return to a growth trend in the UK market, especially under post-brexit conditions. The significant sales growth of Benecol® products achieved in Ireland is the result of a change in our operational model carried out two years earlier. Elovena® continued its strong performance in Finland and has grown by double digits also in terms of its gluten-free product range. This iconic oat brand, which is counted among the TOP 10 brands in Finland, already now represents us within the foreign markets with a particular emphasis on our gluten-free product line.

The Healthy Ingredients Segment has performed reasonably during the challenging year. There has been a continuously increasing demand for gluten-free oats outside of Finland, which is an indication of the increased recognition of this exceptional grain as a healthy raw material for all types of products. The season was especially challenging for Raisioaqua due to the long period of hot weather, and even though the season lasted longer than usual, it was not possible to mend the impact of the unsuccessful high season in terms of result.

Raisio's operations have expanded considerably with the addition of its two new production facilities. The fava bean production facility in Kauhava and the new facility in the carbon-neutral industrial area of Raisio placed a burden on profitability during the financial year. These investments in our future will need time and persistent efforts before they become profitable. I have all the reason to believe, and a bit of evidence as well, that the facilities supported by these megatrends will be the driving forces behind Raisio's growth as we move forward.

Raisio's Corporate Responsibility Report, which will be published in March, will be great to read. Our responsibility programme, the Good Food Plan, is proceeding wonderfully and we have received abundant positive feedback from external sources. Our personnel have adopted responsible operational methods to advance our overall goal of "Food for Health, Heart and Earth". In order to create a unified, dynamic and winning corporate culture, we initiated the "Walk the Talk" change programme at the end of the financial period. With the programme we are ready to shift onto the path of growth as defined by our strategy.

My warmest thanks to Raisio's personnel for their fine performance and patience during this epidemic, which continued through the entire financial year. Let's keep moving forward with the same strength and confidence!

## **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 ingredients 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 246 (234) million and the combined net sales for the areas of focus amounted to EUR 169 (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 EBIT during the first years of the strategy period.

The composition of and areas of responsibility assumed by Raisio Group's Executive Committee were reorganised to support the updated strategy published in early June. The goal of the change was to flatten the organisation and allocate responsibility more broadly. Raisio's values of courage, fairness and enthusiasm will continue to be even more visible in the company culture.

The Executive Committee's responsibilities were reorganised and it gained two new members. The changes entered into force on 4 August 2021. The change does not affect the reportable segments.

## **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. 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. Towards the end of the year, the numbers of those infected in Finland and around the world rose to new heights. Our expectation for the near future is, however, cautiously positive, as the vaccination coverage continues to increase rapidly. The change in consumers' purchase and shopping behaviours towards digital channels has, at the same time, remained strong. 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 store chains.

## **FINANCIAL DEVELOPMENT**

### **NET SALES**

#### **January–December**

Raisio Group's net sales totalled EUR 246.4 (233.6) million. The Group's net sales increased clearly from the comparison period. The strengthening of the key currency rates supported the positive development of net sales. The Healthy Food Segment's net sales totalled EUR 143.4 (135.3) million and Healthy Ingredients Segment's net sales were EUR 132.9 (125.6) million. In terms of consumer products, the development of business in Finland and the UK was very strong. On the B2B front, the domestic and export demand for grain-based value-added products continued at an especially good level. Raisioaqua's sales remained at the level of the comparison period. The Verso Food business, which was acquired on 1 April 2021, supported the growth in the net sales of the whole Group. The growth in the Group's net sales, which began during the second quarter, continued evenly in relation to the comparison periods.

The conversion impact on the Group's net sales was EUR 0.9 (-2.5) million. The share of the impact caused by the British pound was EUR 1.8 (-0.7) million, by the Russian ruble EUR -0.5 (-1.3) million and by other currencies EUR -0.3 (-0.5) 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 share of Raisio Group's net sales representing net sales outside of Finland totalled EUR 149.3 (144.1) million, which accounted for 60.6 (61.7) per cent of net sales. In terms of the breakdown of the Group's net sales, Finnish operations accounted for 39.4 per cent, the UK and the rest of Europe for 21.5 and 36.7 per cent, respectively, and the rest of the world for 2.4 per cent.

#### **October–December**

Raisio Group's net sales totalled EUR 60.3 (53.9) million. The Group's net sales increased clearly from the comparison period. 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. Sales in the markets of Poland, Ukraine and Ireland clearly exceeded the level of the comparison period. Growth in Russia was significant during the quarter. Within the Healthy Ingredients Segment, particularly the B2B sales of grain-based products developed at a significantly better rate than seen during the comparison period and is continuing to follow its strong growth trend. The B2B sales of grain-based products continued successfully to increase export trade as the sales structure was geared towards growth in the relative amount of value-added products.

The conversion impact on the Group's net sales was EUR 1.1 (-1.6) million. The share of the impact caused by the British pound was EUR 0.8 (-0.6) million, by the Russian ruble EUR 0.2 (-0.7) million and by other currencies EUR 0.1 (-0.3) 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.

## **RESULTS**

#### **January–December**

Raisio Group's comparable EBIT was EUR 22.1 (27.7) million, which accounted for 9.0 (11.9) per cent of net sales. EBIT was EUR 23.8 (28.9) million, which accounted for 9.7 (12.4) per cent of net sales. EBIT includes EUR 2.8 million in other operating income for the sale of the receivable, EUR 0.6 million in expenses related to the

corporate acquisition and altogether EUR 0.5 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). The development of the EBIT within the Healthy Food Segment fluctuated greatly within our different key markets. At the beginning of the year, our reportable market areas fell below that of the comparison period. During the second half of the year, the EBIT in Eastern and Central Europe turned towards growth, while the growth in Western Europe continued as initiated in the second quarter. The EBIT in Northern Europe weakened at the end of the year as a result of commercial investments made in keeping with the strategy.

The Healthy Food Segment's comparable EBIT amounted to EUR 19.5 (18.6) million, which accounted for 13.6 (13.7) per cent of net sales. The Healthy Food Segment's EBIT amounted to EUR 19.3 (18.6) million, which accounted for 13.4 (13.7) per cent of net sales. EBIT includes a total of EUR 0.2 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). In the UK, the demand for consumer products continued its growth trend throughout the year with a clear acceleration in growth during the final quarter. As anticipated, EBIT was weighted down by stronger sales and marketing investments and cost pressures related to grain-based raw material prices.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 6.1 (12.6) million, which accounted for 4.6 (10.0) per cent of net sales. EBIT was EUR 8.1 (12.6) million, accounting for 6.1 (10.0) per cent of net sales. EBIT includes EUR 2.8 million in other operating income for the sale of the receivable, EUR 0.6 million in expenses related to the corporate acquisition and altogether EUR 0.2 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). EBIT was supported by the increased sales of grain-based value-added products and improved sales mix within B2B business. The success achieved by Raisioaqua at the start of the year turned to decline during the exceptionally long period of hot weather during the peak season. This had a heavy impact on EBIT, which fell very significantly below the level of the comparison period. Furthermore, the new production facility built in Raisio's industrial area accrued costs from the planned 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 comparable EBIT and EBIT was EUR 0.3 (-0.4) million. The share of the impact caused by the British pound was EUR 0.4 (-0.1) million, by the Russian ruble EUR -0.1 (-0.3) million and by other currencies EUR 0.0 (0.0) million.

The depreciations and impairments totalled EUR 8.4 (6.2) million. The Group's net financial items were EUR 0.9 (0.5) million. The Group's pre-tax result was EUR 24.7 (29.4) million. The Group's post-tax result was EUR 20.9 (23.4) million. The taxes of the comparison period included EUR 2.3 million from the entry of a deferred tax asset. The Group's earnings per share were EUR 0.13 (0.15) and the comparable figure was EUR 0.12 (0.14).

### **October–December**

Raisio Group's EBIT was EUR 3.5 (5.5) million, which accounted for 5.9 (10.2) per cent of net sales. EBIT includes a total of EUR 0.4 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). Comparable EBIT was EUR 3.9 (4.4) million, accounting for 6.5 (8.2) per cent of net sales. The growth in the result of the Benecol business in Western Europe was strong during the reporting period for the third consecutive quarter, and EBIT in Eastern and Central Europe also significantly improved. EBIT was challenged by the unprofitability of the Verso Food business, the decline in Raisioaqua's sales and EBIT caused by difficult weather conditions and significantly larger investments in sales and marketing in relation to the comparison period, particularly in Northern Europe. EBIT was also pressured negatively by the extremely strong rise in the price of grain-based raw materials that was seen at the end of the year.

The conversion impact on the Group's comparable EBIT and EBIT was EUR 0.2 (-0.3) million. The share of the impact caused by the British pound was EUR 0.2 (-0.1) million, by the Russian ruble EUR 0.0 (-0.1) million and by other currencies EUR 0.0 (0.0) million.

The depreciations and impairments totalled EUR 2.6 (1.5) million. The Group's net financial items were EUR 0.1 (1.1) million. During the comparison period, the net financial items included a valuation of financial assets totalling EUR 1.0 million recognised at fair value through profit or loss. The Group's pre-tax result was EUR 3.6 (6.7) million. The Group's post-tax result was EUR 4.1 (5.6) million. The Group's earnings per share were EUR 0.03 (0.04) and the comparable figure was EUR 0.03 (0.04).

## **BALANCE SHEET, CASH FLOW AND FINANCING**

At the end of December, the Raisio Group's balance sheet totalled EUR 354.4 (314.6) million. Shareholders' equity was EUR 280.7 (269.5) million, while equity per share totalled EUR 1.77 (1.71). 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 34.5 (34.7) million. The cash flow for the financial year of 2021 includes EUR 2.8 million in other operating income for the sale of the receivable and EUR 2.3 million in tax refunds related to the UK business. The cash flow for the financial period sustained an impact of EUR -1.6 million as a result of the business of Verso Food, which was acquired on 1 April during the review period.

At the end of December, working capital amounted to EUR 36.1 (36.8) million.

At the end of December, the Group's interest-bearing debt was EUR 29.1 (10.2) million. For the review period, interest-bearing debts include an increase in lease liabilities of EUR 12.2 million in connection with the process equipment required for the new production facility being built in Raisio's industrial area. Net interest-bearing debt was EUR -60.0 (-83.0) million.

At the end of December, Raisio's financial assets recognised at fair value through profit or loss, as well as cash and cash equivalents totalled EUR 89.0 (93.2) million. Cash reserves are primarily invested in low-risk, liquid investment objects.

At the end of December, the Group's equity ratio totalled 79.3 (85.7) per cent and net gearing was -21.4 (-30.8) per cent. The return on investments (ROIC) was 8.8 (11.7) per cent and the comparable return on investments (ROIC) was 8.3 (11.1) per cent.

Raisio plc paid EUR 20.6 (20.5) million in dividends for 2020.



**Key figures for the balance sheet and financing**

		31/12/2021	31/12/2020
Cash flow from operations	M€	<b>34.5</b>	34.7
Equity ratio	%	<b>79.3</b>	85.7
Net gearing	%	<b>-21.4</b>	-30.8
Net interest-bearing debt	M€	<b>-60.0</b>	-83.0
Equity per share	€	<b>1.77</b>	1.71
Investments	M€	<b>24.2</b>	28.5
Comparable return on investment (ROIC)	%	<b>8.3</b>	11.1
Return on investment (ROIC)	%	<b>8.8</b>	11.7

**INVESTMENTS**

In October–December, Raisio’s investments totalled EUR 2.8 (5.5) million, or 4.6 (10.3) per cent of net sales.

The January–December investments totalled EUR 24.2 (28.5) million, or 9.8 (12.2) 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 advanced, during the third quarter, from process testing to productive use as planned. The first consumer products to come out of the production facility were in shops in Finland at the end of third quarter. Targets from the start-up of the production facility were achieved as expected during 2021.

In keeping with our strategy, we will continue with investments in value-added oat products and ingredients and plant-based products. 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 autumn 2022 and will facilitate a better collective use of different ingredients and new commercial product applications. The production facility in Kauhava is also planning measures to expand the processing of fava beans during spring 2022.

**RESEARCH AND DEVELOPMENT**

Raisio’s research and development expenses in October–December totalled EUR 1.0 (1.2) million, or 1.7 (2.1) per cent of net sales.

In January–December, R&D expenses were EUR 3.7 (4.3) million, accounting for 1.5 (1.9) per cent of net sales. Raisio’s development expenses included an acquisition expense of EUR 0.2 (0.3) million for the new production facility being built in Raisio’s industrial area.

The priorities of our research activities are reflected particularly in gluten-free oats as raw material and the ongoing product and application developments of Benecol products, and, since the acquisition of Verso Food, in the research and development programme related to plant proteins and fava beans.

Elovena Gluten Free Instant Oatmeal, Elovena Voimakaura 100% Oat Snack Biscuits and Benecol Soft Cheese were all launched at the beginning of the year. Future launches of oat-based products for the dairy section were presented in connection with the strategy update in June. At the end of the third quarter, the oat-based

Elovena and Benecol OAT products produced at our new production facility reached consumers in Finland; as many as 13 new products were brought to the Finnish market at the same time. During the autumn, we expanded our plant protein category by adding two new natural product variants to the Beanit® product line. In the future, our new production facility will make it extremely flexible to launch new products and categories.

According to the Brand Value (Brändien arvostus) survey for 2021, published in August, Elovena had risen to be 9th on the list of the most valued brands in Finland. Our traditional Sunnuntai® and Nalle® brands also rose to assume higher positions on the list of valued brands. In the same survey, Beanit rose to be Finland's most valued brand in the plant-protein category.

In accordance with Raisio's strategy, we are working together with our research partners to clarify other benefits and properties of plant stanol esters in addition to their cholesterol-lowering property. We are interested in the possible connection between, for example, plant stanol and the immune response. The studies are still in the very early stages, nor are there any specific commercial plans for the research results as yet.

## **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, January–December**

The Healthy Food Segment's net sales totalled EUR 143.4 (135.3) million. Net sales clearly exceeded the level of the comparison period, as the top brands in the focus of Raisio's strategy succeeded brilliantly in our key markets. Net sales in Northern and Western Europe clearly exceeded those of the comparison period, while net sales in Eastern and Central Europe remained at the same level as during the comparison period. A turn was already seen during the first half of the year in the Northern and Western European markets, but the greatest positive turns were seen in the Eastern and Central European markets at the end of the year.

Altogether 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, Sunnuntai, Nalle, Torino® and Beanit. Nearly 44 per cent of net sales were generated from the sale of Benecol products in the Western European markets. The rest of the net sales, more than 14 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 19.5 (18.6) million, which accounted for 13.6 (13.7) per cent of net sales. EBIT was EUR 19.3 (18.6) million, which accounted for 13.4 (13.7) per cent of net sales. EBIT includes a total of EUR 0.2 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). EBIT held at a good level during the reporting period despite the increasing investments in sales and marketing. The prices of the most vital grain-based raw materials rose dramatically at the end of the year in response to a weak harvest season. Favourable net currency movements were reflected stronger in the development of euro-denominated sales, but, to some extent, in EBIT as well.

The currency conversion impact on the Healthy Food Segment's net sales was EUR 0.9 (-2.5) million and EUR 0.3 (-0.4) million on comparable EBIT and EBIT.

**Financial development, October–December**

The Healthy Food Segment's net sales totalled EUR 38.0 (33.9) million. Net sales in all key markets increased significantly. Strong sales growth continued in Finland for Benecol and Elovena products during the final quarter of the year. The overall product sales in Western, Eastern and Central Europe also increased significantly. The Healthy Food Segment's comparable EBIT amounted to EUR 5.0 (4.2) million, which accounted for 13.1 (12.4) per cent of net sales. EBIT was EUR 4.9 (4.2) million, which accounted for 12.8 (12.4) per cent of net sales. EBIT includes a total of EUR 0.1 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). The sales and marketing costs increased from the level of the comparison period.

The currency conversion impact on the Healthy Food Segment's net sales was EUR 1.1 (-1.6) million and EUR 0.2 (-0.3) million on comparable EBIT and EBIT.

**Key figures for the Healthy Food Segment**

		10–12/2021	10–12/2020	1–12/2021	1–12/2020
Net sales	M€	<b>38.0</b>	33.9	<b>143.4</b>	135.3
Western Europe	M€	<b>16.6</b>	14.9	<b>63.1</b>	59.1
Northern Europe	M€	<b>15.5</b>	14.0	<b>59.8</b>	55.5
Eastern and Central Europe	M€	<b>5.8</b>	5.0	<b>20.5</b>	20.8
Comparable EBIT	M€	<b>5.0</b>	4.2	<b>19.5</b>	18.6
Comparable EBIT	%	<b>13.1</b>	12.4	<b>13.6</b>	13.7
EBIT	M€	<b>4.9</b>	4.2	<b>19.3</b>	18.6
EBIT	%	<b>12.8</b>	12.4	<b>13.4</b>	13.7
Net assets	M€	<b>91.1</b>	82.4	<b>91.1</b>	82.4

**Business operations, January–December**
Western Europe

Net sales for the Western European operations amounted to EUR 63.1 (59.1) million and EBIT increased significantly from the comparison period.

Net sales for the Benecol business in the UK increased clearly from the level of the comparison period and growth in the market share was strong. Growth was seen in both yogurt drinks and spreads. The sales and marketing costs decreased slightly from those of the comparison period. The impact of the currency rates on net sales and EBIT was positive during the reporting period. As a whole, EBIT improved significantly from the comparison period.

Consumers in the UK rapidly shifted the majority of their shopping towards online sources over the past two years. The online sales of Benecol products benefited greatly from this phenomenon, also during the current year. In the UK, already approximately one quarter of Benecol products were 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 last quarter was largely due to the biggest categories of

Benecol products, namely yogurt drinks and spreads, which achieved significant growth in relation to the comparison period.

The lockdowns and restrictions to prevent the spread of the pandemic in the UK were extensive during the early part of the reporting period in comparison to Raisio's other key markets, but the restrictions were mainly lifted early on during the third quarter. Raisio's current categories succeeded well during the review period and sales in 2022 will be supported with the introduction of new Benecol OAT products.

In Ireland, net sales increased significantly in relation to the comparison period and the development of EBIT has also been positive. Marketing investments during the comparison period were successful and Benecol products acquired new consumers in these markets. Raisio's marketing activities in Ireland increased the size of the market for cholesterol-lowering products within the country. The significance of online sales also continued to grow in Ireland. This was reflected as strong growth in both net sales and the market share. The net sales and EBIT in Belgium declined slightly from the level of the comparison period, primarily as a result of increased marketing costs. The increased marketing investments in Belgium did, however, bring about a contract with a new retail chain and new category listings in the market during the review period.

#### Northern Europe

Net sales for the Northern European operations amounted to EUR 59.8 (55.5) million. EBIT weakened as anticipated as a result of commercial investments made in keeping with the strategy.

The clear growth in net sales was thanks to Raisio's strong brands, Benecol, Elovena and Beanit, which Raisio acquired along with the Verso Food deal. The positive sales figures of Benecol and Elovena were particularly accelerated by plant-based product launches from the new production facility during the final quarter. The increased sales volumes during the final quarter were also an indication that the selected primary strategic areas of focus were functioning as intended. Sunnuntai, Torino and Nalle products had declining sales figures, primarily as a result of the record-high sales during the comparison period at the start of the pandemic, when baking and eating at home grew strongly in relation to previous years. EBIT was weighted down by stronger sales and marketing investments and cost pressures related to grain-based raw material prices. During the current reporting period, Raisio has carried out significant co-operation with different stakeholders as a means of controlling challenging cost developments and ensuring availability, and we expect that this beneficial co-operation will continue in the future as well.

#### Eastern and Central Europe

Net sales for the Eastern and Central European operations remained at the level of the comparison period for a total of EUR 20.5 (20.8) million. EBIT decreased significantly from the comparison period.

Euro-denominated net sales in Russia remained at the level of the comparison period, while EBIT saw a clear decrease from the comparison period. Volumes and net sales in local currencies, however, were on the rise. The result was lowered by increased prices for transportation, packaging and grain-based raw materials. As a result of the purchase behaviours of consumers, Raisio's online sales continued to grow in customer channels, particularly in large cities, which was in line with the development and change of purchasing behaviour seen within other markets. Within the Russian market, benefits have been derived from the more expansive shop coverage and the increase in brand recognition in areas outside of Moscow and St. Petersburg. Annual contracts and price increases in Russia were negotiated for the year 2022 as a means of managing cost inflation.

Euro-denominated net sales in Ukraine remained at the level of 2020, but EBIT decreased slightly. The distribution agreements that were updated early last year and the resulting better shop coverage have facilitated a considerably better and more manageable entry into the market. As a result of the change in the



purchase behaviours of consumers, Raisio's online sales also increased in Ukraine. Development in terms of volume was already quite positive at the end of the final quarter, as net sales and the result were increasing from the comparison period.

Net sales in Poland grew clearly and EBIT remained at the level of the comparison period. The long-term plan to return business to a positive level in Poland was successful during the reporting period and, therefore, the business has good growth perspectives for the future as well. As a result of the persistent work, Benecol strengthened its market position within its own category in Poland. The normalisation of conditions and consumer behaviour will, as we move forward from the pandemic, offer even better operational opportunities. In Poland, as well as in many of Raisio's other markets, sales through the so-called discounter channel have increased, particularly during the pandemic. Raisio's aim for the future is to gain a supportive foothold within these markets.

## **HEALTHY INGREDIENTS SEGMENT**

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

### **Financial development, January–December**

The Healthy Ingredients Segment's net sales totalled EUR 132.9 (125.6) million. Net sales were significantly higher than during the comparison period as a result of domestic and foreign sales of grain products to bakeries and industrial and catering customers. Net sales dropped as a result of the strategy-based reduced volume of external grain trade. The overall sales of the entire Healthy Ingredients Segment increased clearly in relation to the comparison period.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 6.1 (12.6) million, which accounted for 4.6 (10.0) per cent of net sales. EBIT was EUR 8.1 (12.6) million, which accounted for 6.1 (10.0) per cent of net sales. EBIT includes EUR 2.8 million in other operating income for the sale of the receivable, EUR 0.6 million in expenses related to the corporate acquisition and altogether EUR 0.2 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). 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. Also, the rise in the price of grain-based raw materials had a negative impact on EBIT. Raisioaqua's EBIT declined as a result of the significant decrease in fish feed sales during the third quarter. Raisioaqua's overall EBIT was unprofitable for the entire year. EBIT was also strained by the acquisition, on 1 April 2021, of Verso Food, whose business remains unprofitable.

### **Financial development, October–December**

The level of the Healthy Ingredients Segment's net sales significantly exceeded those of the comparison period, at EUR 30.4 (26.4) million. Net sales were particularly increased by the development of B2B sales of grain-based products, which was significantly better than during the comparison period. Raisio's sales to Finnish bakeries and to industrial and catering customers increased significantly. The development of sales in oat products and gluten-free oat products continued to be strong. Oat-based B2B products, which are at the core of Raisio's strategy, have had especially rapid growth and the expansion of the customer base is proceeding as planned.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 0.3 (1.8) million, which accounted for 0.8 (7.0) per cent of net sales. EBIT was EUR 0.0 (1.8) million, which accounted for 0.2 (7.0) per cent of net sales. EBIT includes a total of EUR 0.2 million in expenses from the corporate reorganisation resulting from

negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). Comparable EBIT was burdened by the previously mentioned costs related to the start-up of our growth investments, the rise in the price of grain-based raw materials and the unprofitability of the Verso Food operations.

### Key figures for the Healthy Ingredients Segment

		10-12/2021	10-12/2020	1-12/2021	1-12/2020
Net sales	M€	30.4	26.4	132.9	125.6
Comparable EBIT	M€	0.3	1.8	6.1	12.6
Comparable EBIT	%	0.8	7.0	4.6	10.0
EBIT	M€	0.0	1.8	8.1	12.6
EBIT	%	0.2	7.0	6.1	10.0
Net assets	M€	120.1	91.9	120.1	91.9

### Business operations, January–December

#### Fish feeds

The overall sales for the first half of 2021 exceeded even the level reached during the first half of the company's record year in 2019. The sales and demand for fish feed typically fall within the second and third quarters of the year. The second quarter was highly successful in the Russian market. In Finland, our other key market, the sales volume remained at the level of the comparison period.

The historically record-high and long period of hot weather that started in early July significantly decreased the sales volumes of the key markets in Finland and especially in Russia. The rapid freeze in demand during the peak sales season was also challenging for profitability. No feeds were produced, but the fixed costs of production remained and the simultaneous rise in the price of raw materials had a very negative impact on EBIT. Demand and sales following the period of hot weather recovered at the end of the third quarter to the level seen towards the end of the comparison period, but it no longer had the power to improve EBIT. The final quarter of the year clearly exceeded the level of the comparison period.

Raisioaqua's annual net sales remained at the level of the comparison period. Despite the good sales level, the long break in demand during the summer season left its mark on the annual EBIT. Raisioaqua retained its market position in all market areas and also succeeded to open up new market areas by signing new sales contracts with CIS countries.

During the reporting period, Raisioaqua advanced the provision of value-added services for its customers. A new application version of the Growth Sonar resource planning system developed by Raisioaqua was launched at the start of the year. The development work brought farmer customers more streamlined application screen views for the monitoring of fish feeding and growth, which further enhances the optimisation and cost efficiency of the feeding process. The automated feeding control system was also renewed with the introduction of new AquaControl units. The new Growth Sonar technology was delivered and installed at tens of farm units during the past year. The renewed application provides customers with streamlined dashboard views that further improve their possibilities to monitor their feed inventory in real-time and even to make feed orders based on their stock and feeding amounts. Users of the new application and AquaControl units have been satisfied with the functionality and ease of the system, equipment and clarity of the application.

### BtoB sales of grain-based products

Raisio's sales to Finnish bakeries and to industrial and catering customers increased significantly. Sales in wheat, 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 EBIT at the start of the year, but, by the end of the year, the increase in grain prices caused by the poor harvest season put a strain on EBIT.

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 the demand for oat and its ingredients continued to be strong. In particular, the demand for gluten-free oats within the domestic and export markets has increased to an extremely significant degree throughout the year. Raisio's export customers are both industrial end-users and distributors. Additional new export customers were consistently gained throughout the year. 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 held at the comparison level. EBIT also remained at the same level as that of the comparison period. The business conditions for Raisio's partner customers varied greatly, by continent, as local pandemic situations affected the sales of products. Partners in Latin America had difficulties in their own business operations, while partners operating in Asia experienced fluctuations in their business development. During the reporting period, Benecol products were launched for the first time in Singapore through a new Benecol partner. In the short term, however, the delivery volumes to the new customer have been quite moderate. 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 growth season in 2021 was exceptionally difficult. The heat and dryness weakened the grain harvest to the point at which it became the weakest seen in decades. The spring grain harvest in Raisio's procurement area dropped by more than 30 per cent in comparison to 2020. The fava bean harvest was also exceptionally poor. Altogether 97% of the grain used by Raisio is grown in Finland and we set the use of domestic raw materials as our priority, also within this challenging procurement situation. The use and procurement of grain for our own use increased by 2 per cent from the previous year. Due to international market developments and the exceptionally poor harvest, grain prices rose in Finland to a record high level at the end of the year.

## **ADMINISTRATION AND MANAGEMENT**

### Board of Directors and Supervisory Board

Raisio's Board of Directors had five members from the AGM of 13 April 2021 and six prior to that. Erkki Haavisto, Leena Niemistö, Ann-Christine Sundell, Pekka Tennilä and Arto Tiitinen served as Board members

throughout the financial period 2021. Ilkka Mäkelä served as member of the Board and the Chairman of the Board until the AGM.

As from 13 April 2021 Arto Tiitinen was elected as Chairman of the Board and Ann-Christine Sundell as Deputy Chairman.

In 2021, all the Board members were independent of the company and its major shareholders.

Paavo Myllymäki served as Chairman of the Supervisory Board and Holger Falck as Deputy Chairman for the financial year 2021.

#### Group Executive Committee

The Group Executive Committee consisted of President and CEO Pekka Kuusniemi and Chief Operating Officer Virpi Aaltonen; Chief Business Officer (Elovena, Beanit & Communications) Annika Boström-Kumlin (as of 4 August 2021); Chief Legal Officer Sari Koivulehto-Mäkitalo; Chief Business Officer (Benecol & New Business) Mikko Lindqvist (as of 4 August 2021); Chief Financial Officer Mika Saarinen (as of 2 June 2021); Chief Customer Officer Iiro Wester and Chief People Officer Taru Ämmälä. Toni Rannikko was the Chief Financial Officer and member of the Executive Committee until 2 June 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 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. After the directed share issue, the company held in total 6,490,445 free shares and 212,696 restricted shares.

## **REPORT ON NON-FINANCIAL INFORMATION**

### Business model

Raisio is an international company, and our purpose, "Food for Health, Heart and Earth", guides our operations. The company's key markets are in Europe and its six production plants are located in Finland.



Raisio's strategy update in spring 2021 made responsibility a more central part of Raisio's strategy. Our strategy responds to the food transition, where different operators in the food chain are working to build a more sustainable food system in terms of the environment and climate. Consumer behaviour is also undergoing a change, with food choices increasingly influenced, not only by taste and health aspects, but also by various responsibility topics. For Raisio, the food transition offers business opportunities: our updated strategy focuses on Benecol® products and plant sterol ester solutions, plant-based food, oat-based consumer products and oats as an industrial raw material. In connection with Raisio's strategy update, we also updated Raisio's responsibility programme. At the same time, we aligned it with Raisio's strategic period so the Good Food Plan will now run until the end of 2025. Before updating the responsibility programme, we conducted a stakeholder survey to find out our stakeholders' thoughts on responsibility. The previous Raisio stakeholder survey was conducted in 2017. Based on the results of the survey, we updated our materiality assessment, which in turn guided us in updating the objectives of the responsibility programme.

Raisio's corporate responsibility programme has five themes: Environmentally Friendly Packaging, Healthy Food, Food Professionals, Sustainable Food Chain and Environment & Climate Action. We previously referred to the Environment & Climate Action project as Climate Change and Carbon Neutrality. The name was changed when the responsibility strategy was updated, as the new name better reflects our far-reaching goals.

#### Code of Conduct

The Raisio Code of Conduct and complementary internal guidelines and policies create a basis for profitable and responsible operations. Raisio's Human Rights Policy complements our Code of Conduct and is also applied in all Group companies worldwide. We also require all our suppliers and subcontractors to monitor the implementation of human rights in their operations.

Raisio is committed to the UN Global Compact's sustainability initiative and its ten principles concerning human rights, labour practices, environment and anti-corruption. We also examine our activities from the perspective of the UN Sustainable Development Goals, which we support. For each theme of our responsibility programme, we have identified one UN Sustainable Development Goal that we feel we can best contribute to through our activities. We identified the following goals as the most relevant for our business:

- Healthy Food: goal 3 – good health and well-being
- Sustainable Food Chain: goal 9 – industry, innovation and infrastructure
- Food Professionals: goal 10 – reduced inequalities
- Environmentally Friendly Packaging: goal 12 – responsible consumption and production
- Environment & Climate Action: goal 13 – climate action

In addition to this, Raisio's responsible practices are developed in line with the ISO 9001 quality management system, ISO 14001 environmental management system as well as BRC and FSSC 22000 food safety certificates for food production plants. Sustainable raw material choices and the commitment of the supply chain to the Raisio Supplier Code of Conduct promote the responsibility of the food chain.

#### Risk management

We have developed Raisio's risk management and the related process during 2021. Efforts have been made to more comprehensively identify the categories of risks affecting our operations, as well as the associated risks and management measures. In this way, we aim to ensure that risks are examined comprehensively from

different perspectives and that the most significant risk scenarios are genuinely identified, anticipated and managed.

Under the new risk management system, each member of the Executive Committee is responsible for the continuous control and monitoring of the risks within their area of responsibility and for assessing the adequacy of the management measures. The adequacy of management measures is assessed by using a three-tiered set of criteria. For each area of responsibility, the most significant risk scenarios are highlighted annually for further assessment by the Executive Committee and an action plan for improving risk management methods is decided on. The progress of the action plans is regularly monitored by the Executive Committee, and the progress is regularly reported to the Board of Directors' Audit Committee.

The aim is to operate according to the new risk management system from the beginning of 2022.

### Environment

We take environmental impacts extensively into account across our operations, with a particular focus on carbon neutrality, environmental friendliness and material and energy efficiency.

Raisio's operations underwent significant changes in terms of environmental objectives in 2021, when the new factory for plant-based products was commissioned in the Raisionkaari industrial area and when the Kauhava factory joined the Raisio Group through the acquisition of Verso Food Oy. Naturally, as the number of factories increased from four to six, the changes were also reflected in the environmental figures for 2021, as an increase in total energy, among other things. The operations of Verso Food Oy's Kauhava factory are reflected in the environmental figures from the beginning of April 2021. The operations of the new Raisionkaari factory, on the other hand, are reflected in the environmental figures for the whole year. The new production facilities do not change the primary goals of our environmental work, but they do affect our overall environmental impact. We will set new target levels for our environmental indicators during 2022.

We have changed the way we calculate our energy consumption and carbon dioxide emissions to be more in line with the guidelines of the Global Reporting Initiative: previously we only included energy we used ourselves, but now we also include energy we sell and distribute to others, as well as losses due to the efficiency of the bioenergy plant. At the same time, the carbon dioxide emission coefficients were also updated to comply with the Finnish fuel classifications. This is also reflected in changes in the figures for carbon dioxide emissions and energy use for 2019 and 2020. The revised reporting practice showed that carbon-neutral energy accounted for a slightly higher proportion in 2019 and 2020 than we have previously reported. In addition to this, our total carbon dioxide emissions are lower under the new reporting method than we have previously reported. Due to the changes, the 2021 figures are not fully comparable with those of previous years.

A primary goal of the Good Food Plan 2019–2023 was to make our own production carbon neutral by the end of 2023. The Raisionkaari industrial area has already been carbon-neutral since 2018. The new factory for plant-based products, completed in the area, is also carbon-neutral, with heat and industrial steam from the area's own bioenergy plant.

At the Nokia mill, a heat production plant utilising oat hulls, a side stream of the mill's processes, was commissioned in early summer 2021, together with the energy and water company Adven. The plant now produces all the heat and steam needed to run the mill. It even produces more heat than is needed. Therefore, in autumn 2021, we agreed with Leppäkosken Lämpö Oy that the surplus waste heat from the Nokia mill will be

utilised in Leppäkosken Lämpö's district heating network in Nokia. From the beginning of 2022, the amount of district heat collected in this way will correspond to the annual heating needs of around 150 detached houses.

A year ago, we estimated that, with the completion of the Nokia mill's heating plant, all of Raisio's own production facilities would be carbon-neutral in terms of energy production, meaning that the goal would be achieved, as early as 2021. The assessment was correct from the point of view of the existing factories and the one under construction, but the situation changed with the addition of the Kauhava factory. The steam used in the Kauhava factory is produced with fossil fuels. The plan and decisions on the transition of the Kauhava plant to carbon-neutral production will be made during 2022. Therefore, making our own production carbon-neutral by the end of 2023 remains as our goal.

In 2021, we carried out a carbon footprint calculation for the whole supply chain (scope 3) in cooperation with an external operator. Based on the calculation, we identified the most significant sources of carbon dioxide emissions in the supply chain and will use it to define more specific reduction targets and measures during 2022.

Raisio promotes the use of environmentally friendly packaging. The recyclability of our packaging improved significantly during 2021, with as much as 97% of our packaging now recyclable. One of the key challenges related to packaging materials is that consumers' opportunities to recycle packaging materials for consumer products varies from market to market. We are trying to find packaging options that can be recycled in all markets. In 2021, one of our priorities was to select and test environmentally friendly packaging materials for the products of the new factory in the Raisionkaari industrial area. The products of the new factory are packaged in cardboard-based packaging, made mainly from renewable materials. In Finland, all packaging for the new factory's products is recyclable. Work has also continued on the development of the packaging of products already on the market.

Raisio's most significant environmental risks are the impacts of climate change on, for example, energy prices and the quality, availability and prices of Raisio's key raw materials, such as grains. The risk related to the energy price increase is managed by investing in the use of renewable energy and using production side streams for energy production, among other measures. Raisio aims to manage risks related to the procurement of Finnish grains by expanding the procurement area geographically in Finland.

#### HR and social matters

Raisio's strategic goal is to be an attractive employer. The Raisio Group's continuing operations employed 388 people at the end of 2021 (2020: 342, 2019: 319). A total of 19 (2020: 19, 2019: 21) per cent of employees worked outside Finland. Raisio's wages and fees for continuing operations in 2021 totalled 27.4 (2020: 24.8; 2019: 23.7) million including other personnel expenses.

At the beginning of August, we reformed the company's organisation to reflect our strategic priorities, and we also launched a broader organisational reform in August, including cooperation negotiations. The aim of the reform is to promote the updated strategy by changing our ways of working and flattening the organisation. A joint change programme was also launched in the autumn, with the core idea of putting the company's values into practice and implementing the change through the efforts of all our employees. The four-month programme will run until the end of March 2022.

According to the Raisio Code of Conduct, the Group complies with the regulations of the International Labour Organization (ILO) and with local collective agreements, regulations and laws related to work in the countries

where the company operates. HR management is also guided by internal policies and plans for competence development and equality, for example.

In 2021, we have continued to create and develop a common culture of occupational safety. The safety steering group has continued to work systematically to increase safety cooperation and consistency within the company. A key part of strengthening occupational safety culture is proactive occupational safety work and early intervention in possible risks. As shared indicators of proactive occupational safety work, we have already been using safety observations, safety quarters and near misses. Furthermore, the investigation process of each accident includes the definition of corrective actions, open communication within the organisation and peer learning. In 2021, we introduced safety rounds and work risk and hazard assessments as new, proactive safety indicators. The work done to develop a culture of occupational safety is reflected in the number of proactive safety measures, which has tripled compared to the previous year. The most significant increase was in the number of safety observations and safety quarters. A total of 452 preventive safety measures were taken (2020: 152).

In terms of social and HR matters, we consider serious workplace accidents and the stability and availability of competent employees to be our main risks. The COVID-19 pandemic continues to pose a risk to the company's employees and continuation of production. Risks are managed by developing the occupational safety culture and by determinedly promoting competence management and well-being at work. Raisio's Pandemic Working Group, set up in 2020, has continued to work, monitor the situation and instruct employees throughout 2021 and will continue its work in 2022.

## Respect for human rights

The Raisio Group complies with applicable international and local laws in all of its operating countries. We respect the UN declaration of human rights and the fundamental rights at work as defined by the International Labour Organization (ILO). These rights cover freedom of association, the right to organise or not to organise, the right to collective bargaining, the prohibition of forced labour and child labour, and the employees' right to equal treatment and opportunities. We are also committed to the ten principles of the UN Global Compact initiative regarding human rights, labour, environment and anti-corruption. The Raisio Group's Global Human Rights Policy complements the company's Code of Conduct and is applied in all companies of the Raisio Group globally.

Raisio is not aware of any human right violations related to its operations.

Raisio's biggest human rights risks are typical for the food industry. The major risks are related to long procurement chains and procurement of labour-intensive raw materials. The risks are managed by the means mentioned in Raisio's Global Human Rights Policy, for example, by taking the risks into account already when selecting a supplier and by monitoring more closely the acquisitions from potential risk countries. To ensure the responsibility of the entire procurement chain, all the chain operators have to work together.

Raisio's single largest raw material group is grain, which accounts for 75 (2020: 74, 2019: 69) per cent of raw materials. 97 per cent of grain is Finnish. The supply chain of grain is short: we procure grains directly from contract farms in southwest Finland, and the grain is delivered to our production directly from the farmers' grain warehouses without interim storage. Foreign labour is rarely used on Finnish grain farms, which further reduces the risk of human rights violations. In terms of the production of soy, palm oil and cocoa, risks related to, for example, employees' rights and environmental responsibility are possible. We minimise this risk by procuring responsibility certified soy, palm oil and cocoa.



We acquire most of our raw materials from low-risk regions, such as Finland and the rest of Europe. Some raw materials are only available from higher-risk countries. In these cases, we pay special attention to the supplier's procedures and certifications. We also use the BSCI risk country classification that guides to procurements from low-risk countries.

We expect our suppliers to commit to the Raisio Supplier Code of Conduct. By the end of 2021, 99.8 (2020: 95, 2019: 92) per cent of the value of all direct procurements was procured from suppliers who have committed in writing to Raisio's Supplier Code of Conduct or whose own ethical principles have been approved by Raisio. Most of the suppliers of Verso Food Oy, which joined the Group in April, have already committed to Raisio's Supplier Code of Conduct. For some, Verso Food's supplier principles are in place and will be updated to Raisio's principles when the contract is updated. As in the previous year, the COVID-19 pandemic hampered supplier audits. In 2021, we continued our work to further integrate social responsibility and human rights issues into our audits and revised the list of questions used in our audits, so that social responsibility issues are an explicit part of the audit question battery.

#### Matters related to anti-corruption and bribery

The Raisio Code of Conduct and anti-corruption policy explicitly prohibit corruption and bribery. Employees are regularly trained in the Code of Conduct and anti-corruption policy, and the training is part of the induction programme of each new employee.

Measures against bribery and corruption are also taken into account in all agreements concluded by Raisio; they are required in the Raisio Supplier Code of Conduct.

In December, we introduced a new reporting channel to report any suspicions of abuse. The new electronic reporting channel is available not only to employees, but also to Raisio Group's customers, partners and other stakeholders, as required by the European Union's Whistleblowing Directive. The system replaced the reporting channel previously used by Raisio. The channel can be used to report suspicions of activities that do not comply with Raisio's values, ethical guidelines or applicable laws. To ensure the anonymity of the reports, the reporting channel is managed by an external partner, WhistleB, Whistleblowing Centre. Instructions for reporting are available on the Raisio website at [raisio.com](https://raisio.com).

#### Healthy food

Consumer behaviour is undergoing a change, with food choices increasingly influenced, not only by taste and health aspects, but also by sustainability topics. In line with our strategy, we focus on healthy and tasty food that is produced responsibly. Our view on healthy food is based on the generally approved concepts confirmed by the science of nutrition. To support product development, the company has defined healthy criteria for all its product categories. The criteria take issues essential to health into account in each category. Raisio's criteria are available on our website.

While developing products, we pay special attention to good taste, the quality of fat and the amounts of fibre, sugar and salt – and strive for the best possible combination of taste and healthiness.

As for the healthiness of food, consumers face an information overflow that we identify as a risk, as it can lead to uncertainty about healthy choices. We communicate responsibly on nutrition and product healthiness in line with the nutrition recommendations.

## Key goals and results

The goals of the first period of the Raisio Good Food Plan were defined for 2019–2023, and the table below looks at the achievements from the perspective of that period.

The fact that the update of the Good Food Plan is aligned with Raisio’s strategic period, running from 2022 to 2025, means that we will also update the more specific indicators of the responsibility programme for this period and until the end of 2025. This update has started and will continue in early 2022. The indicators will also be influenced in the future by developments in EU taxonomy regulations, which we have been actively monitoring. Deeper analyses and conclusions on the impact of the EU taxonomy can only be drawn once the taxonomy classifications and criteria are finalised.

Goal by the end of 2023	Corporate Governance	Results 2021
<b>Environment</b>		
100% carbon-neutral energy in productions	<ul style="list-style-type: none"> <li>Systematic transition to the use of carbon-neutral energy</li> <li>Raisio defines carbon-neutral energy as energy produced without fossil fuels</li> </ul>	<ul style="list-style-type: none"> <li>Carbon dioxide emissions 1000 (2020: 1400, 2019: 1100) t CO<sub>2</sub>e</li> <li>Of all the energy used by Raisio 97 (2020: 94, 2019: 95) % carbon neutral</li> <li>Total energy consumption, 1000 MWh: 95 (2020: 81, 2019: 76)</li> </ul>
Environmentally friendly packaging: <ul style="list-style-type: none"> <li>100% recyclable consumer packaging</li> <li>continuous reduction of the amount of packaging plastic</li> </ul>	<ul style="list-style-type: none"> <li>In consumer products, recyclable packaging and reducing the amount of packaging plastic</li> </ul>	<ul style="list-style-type: none"> <li>Of consumer packaging, 97 (2020: 87, 2019: 83) % recyclable</li> <li>Of consumer packaging, 57 (2020: 58, 2019: 56)% cardboard or paper</li> <li>Of consumer packaging, 43 (2020: 42, 2019: 44) % plastic packaging</li> </ul>
<b>Social and HR matters</b>		
Promotion of wellbeing at work	<ul style="list-style-type: none"> <li>Support for the personnel’s healthy lifestyles</li> <li>Development of virtual work skills</li> </ul>	<ul style="list-style-type: none"> <li>Employee turnover 9 (2020: 10, 2019: 11) %</li> <li>78 (2020: 72, 2019: 68) % of employees completed online training on values</li> <li>75 (2020: 60, 2019: 43) % of personnel completed healthy food online training</li> </ul>
Strengthening of work safety culture	<ul style="list-style-type: none"> <li>Development of the common work safety culture and unification of common practices</li> <li>Encouragement of personnel to use preventive safety tools and to make safety observations</li> </ul>	<ul style="list-style-type: none"> <li>Accidents (Lost time injury 1) 12 (2020: 10, 2019: 4)</li> <li>Proactive work safety measures 452 (2020: 152, 2019: 135) pcs, including safety observations, near misses, safety quarters and, as new additions in 2021, work risk and hazard assessments and safety rounds</li> </ul>

## Human rights

Development of procurement responsibility

- Suppliers and subcontractors required to sign the Raisio Supplier Code of Conduct
- Raisio only uses responsibility certified palm oil, cocoa and soy

- 99.8 (2020: 95, 2019: 92) % of the value of direct procurements was procured from suppliers who have committed to Raisio's Supplier Code of Conduct
- 100 (2020: 100, 2019: 100) % responsible palm oil
- 100 (2020: 100, 2019: 100) % responsible soy
- 94 (2020: 93, 2019: 78) % responsible cocoa

Increasing human rights expertise

- Further integration of social responsibility and human rights issues into audits

- Social responsibility issues explicitly included in the set of questions used to audit suppliers

## Matters related to corruption and bribery

100 % of staff completed the online training on the Raisio Code of Conduct

- Online training, available in three languages, is part of the induction of new employees

- 85 (2020: 81, 2019: 81) % of employees completed online training

## Healthy food

80% of consumer products healthy alternatives in their own product categories

- Raisio has defined health criteria for all its product categories; the criteria are based on European nutrition recommendations
- The criteria are used, e.g. to support Raisio's product development
- Health criteria also available on the company's website

- 81 (2020: 79, 2019: 77) % of consumer products were healthy alternatives in their own categories at the end of 2021

## EU taxonomy reporting

The EU taxonomy aims to engage investors, companies and other business operators in working towards the EU's carbon neutrality goals and, thereby, direct funding towards sustainable activities. At Raisio, we have a generally positive view of the reform, as we believe that a common set of criteria will facilitate comparisons and guide industries in the right direction. In our view, measures to promote the increased consumption of plant-based food have a major role to play in the food transition. We also believe that, in addition to consumer behaviour, another key issue is how the different operators in the food chain are able to take climate impacts into account in their own activities.

At Raisio, we followed the development of the EU taxonomy criteria in 2021. For 2021, the obligation to report in accordance with the taxonomy applies to organisations employing more than 500 people, so it does not yet apply to Raisio at this stage. In the future, however, the EU taxonomy will apply to practically all listed companies, including Raisio. However, for the food industry, the taxonomy is not yet fully complete and will require further work during 2022.

As responsibility is a key part of Raisio's strategy, we consider it to be important for us to examine our activities in accordance with the EU taxonomy from the very beginning. That is why we have already voluntarily reviewed our business from the perspective of the first two criteria that have been completed, which are climate change mitigation and climate change adaptation. In addition to the EU taxonomy approach, we will continue to take into account the guidelines of the Global Reporting Initiative in our separate corporate responsibility report.

The climate change mitigation and adaptation criteria do not include indicators directly applicable to food production. We believe that indicators related to food production will be better included in the other four EU criteria to be completed in the future: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

The climate change mitigation and adaptation criteria apply to the Raisio Group's bioenergy plant located in the Raisionkaari industrial area, which produces heat and steam for the production facilities and buildings located in the area. Raisio also sells the energy from the bioenergy plant to other companies in the industrial area, which makes the bioenergy plant eligible for EU taxonomy. The main task of the bioenergy plant is to produce heat and steam for Raisio's own production facilities. The bioenergy plant, commissioned in 2018, was an important step in our journey to make our own production carbon-neutral by the end of 2023.

The bioenergy plant accounted for 0.8 million euros of the Raisio Group's net sales. Direct operating expenses under the EU taxonomy amounted to 0.3 million euros, i.e. 3.5% of the Group's operating expenses. The operating expenses have been calculated in accordance with the EU taxonomy. The expenses under the EU taxonomy differ from the operating expenses presented in the consolidated financial statements. Investments accounted for 0.1 million, which is 0.2% of the Group's total investments.

#### Criteria: Climate change mitigation and climate change adaptation

	Share of net sales in 2021	Share of operating expenses in 2021	Share of investments in 2021
<b>Activities eligible for EU taxonomy</b>			
Bioenergy plant in the Raisionkaari industrial area	€ 0.8 million (0.3%)	€ 0.3 million (3.5%)	€ 0.1 million (0.2%)
<b>Activities not eligible for EU taxonomy</b>			
	€ 245.6 million (97.7 %)	€ 7.6 million (96.5%)	€ 24.1 million (99.8%)
<b>Total</b>	<b>€ 246.4 million (100 %)</b>	<b>€ 7.9 million (100%)</b>	<b>€ 24.2 million (100%)</b>



**CHANGES IN GROUP STRUCTURE****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.

**SHORT-TERM RISKS AND SOURCES OF UNCERTAINTY**

During 2021 the pandemic continued to affect consumers severely. 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.

**BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS**

The parent company's distributable assets based on the balance sheet on 31 December 2021 totalled EUR 115,878,079.49.

The Board of Directors proposes that a dividend of EUR 0.14 per share, of which EUR 0.04 as an extra dividend, be paid from the parent company's retained earnings. Hence, the proposed dividend will total EUR 23,120,902.00, and EUR 92,757,177.49 will be left in the profit account. No dividends will be paid on the shares held by the company on the record date 14 April 2022. The payment date of the dividend is proposed to be 26 April 2022.

No significant changes have taken place in the company's financial position after the end of the financial year. The company's liquidity is good, and the Board's view is that the proposed dividend payout does not endanger the company's solvency.

In Raisio, 08 February 2022

Raisio Plc Board of Directors

**Further information:**

Pekka Kuusniemi, CEO, tel. +358 50 537 3883

Mika Saarinen, CFO, tel. +358 40 072 6808

**Raisio's financial releases in 2022:**

Financial Statements, the Report of the Board of Directors and the Corporate Responsibility Report 2021 will be published 17 March 2022

Interim Report for January-March published 4 May 2022

Half-Year Financial Report for January-June published 3 August 2022

Interim Report for January-September published 2 November 2022

The Financial Statements Bulletin has not been audited.

## TABLE SECTION

## THE GROUP'S INCOME STATEMENT (M€)

	1-12/2021	1-12/2020	10-12/2021	10-12/2020
<b>Net sales</b>	<b>246.4</b>	233.6	<b>60.3</b>	53.9
Cost of sales	<b>-185.3</b>	-168.8	<b>-45.8</b>	-39.7
<b>Gross profit</b>	<b>61.1</b>	64.8	<b>14.4</b>	14.2
Other operating income and expenses, net	<b>-37.3</b>	-35.9	<b>-10.9</b>	-8.7
<b>EBIT</b>	<b>23.8</b>	28.9	<b>3.5</b>	5.5
Financial income	<b>2.8</b>	2.0	<b>0.3</b>	0.8
Financial expenses	<b>-1.9</b>	-1.4	<b>-0.3</b>	0.3
<b>Result before taxes</b>	<b>24.7</b>	29.4	<b>3.6</b>	6.7
Income taxes	<b>-3.9</b>	-6.0	<b>0.5</b>	-1.1
<b>Result for the period</b>	<b>20.9</b>	23.4	<b>4.1</b>	5.6
<b>Attributable to</b>				
Equity holders of the parent company	<b>20.9</b>	23.4	<b>4.1</b>	5.6
<b>Earnings per share from the profit attributable to equity holders of the parent company (€)</b>				
Undiluted earnings per share	<b>0.13</b>	0.15	<b>0.03</b>	0.04
Diluted earnings per share	<b>0.13</b>	0.15	<b>0.03</b>	0.04

**THE GROUP'S COMPREHENSIVE INCOME STATEMENT (M€)**

	1-12/2021	1-12/2020	10-12/2021	10-12/2020
<b>Result for the period</b>	<b>20.9</b>	23.4	<b>4.1</b>	5.6
Other comprehensive income items				
<b>Items that will not be reclassified to profit or loss</b>				
Change in fair value of equity investments	<b>0.4</b>	0.3	<b>-0.1</b>	0.0
Tax impact	<b>-0.1</b>	-0.1	<b>0.0</b>	0.0
Items that will not be reclassified to profit or loss, total	<b>0.3</b>	0.2	<b>-0.1</b>	0.0
<b>Items that may be subsequently transferred to profit or loss</b>				
Change in value of cash flow hedging	<b>0.0</b>	0.2	<b>0.0</b>	-0.8
Change in translation differences related to foreign companies	<b>5.8</b>	-5.8	<b>1.9</b>	1.2
Tax impact	<b>0.0</b>	0.0	<b>0.0</b>	0.2
Items that may be subsequently transferred to profit or loss, total	<b>5.8</b>	-5.6	<b>1.9</b>	0.6
<b>Comprehensive income for the period</b>	<b>26.9</b>	18.0	<b>5.9</b>	6.1
<b>Components of comprehensive income</b>				
Equity holders of the parent company	<b>26.9</b>	18.0	<b>5.9</b>	6.1

**THE GROUP'S BALANCE SHEET (M€)**

ASSETS	31.12.2021	31.12.2020
Non-current assets		
Intangible assets	36.0	32.0
Goodwill	49.6	45.9
Tangible assets	102.1	73.1
Equity investments	2.8	2.8
Deferred tax assets	3.9	2.3
Total non-current assets	194.4	156.1
Current assets		
Inventories	37.9	37.1
Accounts receivables and other receivables	33.1	28.0
Financial assets at fair value through profit or loss	67.9	71.8
Cash and bank receivables	21.1	21.5
Total current assets	160.0	158.5
<b>Total assets</b>	<b>354.4</b>	<b>314.6</b>
SHAREHOLDER'S EQUITY AND LIABILITIES	31.12.2021	31.12.2020
Equity attributable to equity holders of the parent company		
Share capital	27.8	27.8
Own shares	-17.8	-19.6
Other equity attributable to equity holders of the parent company	270.7	261.4
Equity attributable to equity holders of the parent company	280.7	269.5
Non-controlling interests	-	-
Total shareholder's equity	280.7	269.5
Non-current liabilities		
Deferred tax liabilities	9.8	6.3
Non-current financial liabilities	25.9	9.6
Total non-current liabilities	35.7	15.9
Current liabilities		
Accounts payable and other liabilities	34.7	28.2
Derivative contracts	0.2	0.3
Current financial liabilities	3.2	0.6
Total current liabilities	38.0	29.1
Total liabilities	73.7	45.0
<b>Total shareholder's equity and liabilities</b>	<b>354.4</b>	<b>314.6</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (M€)**

(EUR million)	Share capital	Share premium reserve	Reserve fund	Invested unrestricted equity fund	Other reserves	Company shares	Translation differences	Retained earnings	Equity attributable to equity holders of the parent company
<b>Shareholders' equity on 1 Jan 2021</b>	27.8	2.9	88.6	8.0	-0.9	-19.6	-20.6	183.2	269.5
<b>Comprehensive income for the period</b>									
Result for the period								20.9	20.9
Other comprehensive income items									
Change in equity investments					0.4				0.4
Change in tax impact of equity investments					-0.1				-0.1
Change in value of cash flow hedging					0.0				0.0
Change in translation differences related to foreign companies							5.8		5.8
Change in tax impact of cash flow hedging					0.0				0.0
<b>Total comprehensive income for the period</b>	0.0	0.0	0.0	0.0	0.3	0.0	5.8	20.9	26.9
<b>Business activities involving shareholders</b>									
Dividends								-20.6	-20.6
Unclaimed dividends								0.1	0.1
Acquisition				2.1		1.8			3.9
Share-based payments						0.0		0.8	0.8
<b>Total business activities involving shareholders</b>	0.0	0.0	0.0	2.1	0.0	1.8	0.0	-19.7	-15.7
<b>Shareholders' equity on 31 Dec 2021</b>	27.8	2.9	88.6	10.2	-0.6	-17.8	-14.8	184.4	280.7

(EUR million)	Share capital	Share premium reserve	Reserve fund	Invested unrestricted equity fund	Other reserves	Company shares	Translation differences	Retained earnings	Equity attributable to equity holders of the parent company
<b>Shareholders' equity on 1 Jan 2020</b>	27.8	2.9	88.6	8.0	-1.3	-19.8	-14.8	179.7	271.3
<b>Comprehensive income for the period</b>									
Result for the period								23.4	23.4
Other comprehensive income items									
Change in equity investments					0.3				0.3
Change in tax impact of equity investments					-0.1				-0.1
Change in value of cash flow hedging					0.2				0.2
Change in translation differences related to foreign companies							-5.8		-5.8
Change in tax impact of cash flow hedging					0.0				0.0
<b>Total comprehensive income for the period</b>	0.0	0.0	0.0	0.0	0.4	0.0	-5.8	23.4	18.0
<b>Business activities involving shareholders</b>									
Dividends								-20.5	-20.5
Unclaimed dividends								0.1	0.1
Share-based payments						0.2		0.5	0.6
<b>Total business activities involving shareholders</b>	0.0	0.0	0.0	0.0	0.0	0.2	0.0	-19.9	-19.7
<b>Shareholders' equity on 31 Dec 2020</b>	27.8	2.9	88.6	8.0	-0.9	-19.6	-20.6	183.2	269.5

**CONSOLIDATED CASH FLOW STATEMENT (M€)**

	1-12/2021	1-12/2020	10-12/2021	10-12/2020
<b>CASH FLOW FROM BUSINESS OPERATIONS</b>				
Result before taxes	24.7	29.4	3.6	6.7
Adjustments:				
Planned depreciations	8.4	6.2	2.6	1.5
Financial income and expenses	-0.9	-0.5	-0.1	-1.1
Other adjustments	0.8	-0.6	0.2	-1.1
Total adjustments	8.3	5.1	2.8	-0.7
Cash flow before change in working capital	33.0	34.5	6.4	6.0
Change in working capital				
Increase (-) / decrease (+) in current receivables	-3.8	2.1	2.2	5.9
Increase (-) / decrease (+) in inventories	0.0	0.1	-1.7	1.2
Increase (+) / decrease (-) in current interest-free liabilities	4.8	1.6	4.4	1.4
Total change in working capital	1.1	3.8	4.9	8.5
Cash flow from business operations before financial items and taxes	34.1	38.3	11.3	14.5
Interest paid and payments for other financial expenses from business operations	-0.5	-0.6	0.0	-0.2
Dividends received from business operations	0.2	0.2	0.1	0.1
Interest received and other financial income from business operations	0.4	0.5	0.2	0.1
Other financial items, net	0.7	0.3	0.2	0.2
Income taxes paid	-0.4	-4.0	1.4	1.3
Cash flow from business operations after financial items and taxes	34.5	34.7	13.1	15.9
<b>CASH FLOW FROM INVESTMENTS</b>				
Investment in tangible assets	-9.7	-18.9	-0.9	-5.1
Investment in intangible assets	-1.0	-1.1	-0.1	-0.3
Income from intangible and tangible assets	0.0	0.2	0.0	0.1
Income from equity investments	0.4	0.5	0.0	0.0
Acquired businesses	-7.0	-	-	-
Net cash flow from investments	-17.3	-19.4	-1.0	-5.3
Cash flow after investments	17.2	15.3	12.1	10.7
<b>CASH FLOW FROM FINANCIAL OPERATIONS</b>				
Other financial items, net	1.4	-0.3	-	0.1
Payments associated with the reduction in lease liability	-1.5	-0.8	-0.5	-0.2
Repayment of non-current loans	-0.1	-	-	-
Dividends and other profit distribution paid to shareholders of the parent company	-20.5	-20.4	0.0	0.0
Net cash flow from financial operations	-20.7	-21.6	-0.5	-0.1
<b>CHANGE IN LIQUID FUNDS</b>	-3.5	-6.2	11.6	10.6
Liquid funds at the beginning of the period	93.2	99.8		
Impact of changes in exchange rates	0.2	-0.8		
Impact of changes in market value of the liquid funds	-0.9	0.4		
Liquid funds at the end of the period	89.0	93.2		

The cash flow of the review period (Jan – Dec 2021) includes EUR 2.8 million in other operating income for the sale of the receivable and EUR 2.3 million in tax refunds related to the UK business.

**NOTES TO THE FINANCIAL STATEMENTS BULLETIN****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 Raisionkaari 55, FI-21200 Raisio. The company's shares are listed on NASDAQ OMX Helsinki Ltd.

**Accounting principles and presentation of figures**

Raisio plc's Report Financial Statements Bulletin for January-December 2021 has been prepared in accordance with IAS 34, Interim Financial Reporting regulations. In the preparation of the Financial Statements Bulletin 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 Financial Statements Bulletin, financial position or the presentation of the Financial Statements Bulletin.

The Financial Statements Bulletin 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 the determination of the lease periods of the leases.

**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. The outlook towards more normal circumstances began to take a more positive turn at the end of the third quarter of 2021. Towards the end of the year 2021, the numbers of those infected in Finland and around the world rose to new heights. Raisio's expectation for the near future is, however, cautiously positive, as the vaccination coverage continues to increase rapidly. 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 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.

### 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€)

	1-12/2021	1-12/2020
Healthy Food		
Western Europe	63.1	59.1
Northern Europe	59.8	55.5
Eastern and Central and Europe	20.5	20.8
Total Healthy Food	143.4	135.3
Healthy Ingredients	132.9	125.6
Other operations	1.5	1.5
Interdivisional net sales	-31.4	-28.9
Total net sales	246.4	233.6

#### EBIT by segment (M€)

	1-12/2021	1-12/2020
Healthy Food	19.3	18.6
Healthy Ingredients	8.1	12.6
Other operations	-3.6	-2.3
Interdivisional	0.0	0.0
Total EBIT	23.8	28.9

The Healthy Foods Segment's EBIT includes a total of EUR 0.2 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). The Healthy Ingredients Segment's EBIT includes EUR 2.8 million in other operating income for the sale of the receivable, EUR 0.6 million in expenses related to the corporate acquisition and altogether EUR 0.2 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). The Other operations Segment's EBIT includes EUR 0.1 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007).

The EBIT achieved for the Other Operations Segment during the comparison period included the withdrawal of a EUR 1.1 million provision related to the sale of the confectionery business in 2017.

These items are entered as an items affecting comparability.

### Net assets by segment (M€)

	1-12/2021	1-12/2020
Healthy Food	91.1	82.4
Healthy Ingredients	120.1	91.9
Other operations and unallocated items	69.5	95.3
Total net assets	280.7	269.5

### Investment by segment (M€)

	1-12/2021	1-12/2020
Healthy Food	1.0	0.6
Healthy Ingredients	21.9	26.2
Other operations	1.4	1.7
Total investments	24.2	28.5

## SALES REVENUE

### Revenue by country (M€)

	1-12/2021	1-12/2020
Finland	97.0	89.5
Great Britain	53.0	50.6
Other	96.3	93.5
Total net sales	246.4	233.6



**Net sales by group (M€)**

	1-12/2021	1-12/2020
Sales of goods	<b>244.6</b>	231.8
Sales of services	<b>1.1</b>	1.1
Royalties	<b>0.6</b>	0.7
Total net sales	<b>246.4</b>	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 m<sup>2</sup> 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 overall enterprise value for the acquisition-related arrangement was EUR 7 million and one million of the free shares held by Raisio plc for a total of EUR 10.9 million. The share portion of the purchase was realised as a private placement.

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

The acquisition cost calculation is based on Verso Food's interim accounts on 31 March 2021.

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

EUR million	
Consideration paid for shares on April 1, 2021	<b>3.9</b>
The assets and liabilities arising from the acquisitions are as follows	
Intangible assets	<b>1.8</b>
Other intangible assets	<b>0.5</b>
Tangible assets	<b>6.9</b>
Deferred tax assets	<b>1.2</b>
Inventories	<b>0.6</b>
Accounts receivables and other receivables	<b>1.3</b>
Cash and bank receivables	<b>0.1</b>
Non-current financial liabilities	<b>-0.3</b>
Accounts payables and other liabilities	<b>-1.2</b>
Current liabilities, cash pool	<b>-7.0</b>
Deferred tax liabilities	<b>-0.3</b>
Current financial liabilities	<b>-0.1</b>
Total identifiable net assets	<b>3.4</b>
Goodwill	<b>0.5</b>

The EUR 1.8 million in brand value and EUR 0.5 million in goodwill for the acquisition are based on Raisio Group's strengthened 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.

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.

Verso Food Oy was merged with the figures of Raisio Group as of 1 April 2021.

The impact of acquired businesses on the financial statements of Raisio Group:

Profit impact of acquired businesses	Impact 1.4–31.12.2021 EUR million	Entire financial period 2021 pro forma EUR million
Net sales	<b>5.7</b>	<b>7.8</b>
EBIT	<b>-1.9</b>	<b>-2.7</b>

The net sales for the acquired businesses, including the income statement for the financial period, showed a profit of EUR 5.7 million and loss of EUR -1.9 million.

The pro forma figures for the entire financial period indicate the impact of acquired businesses if Verso Food Oy had been merged with Raisio Group from the beginning of 2021. In this case, the impact on the Group's net sales would have been EUR 7.8 million and on EBIT -2.7 EUR million.

The impact of the acquired businesses on the Group's cash flow was EUR -1.6 million.

There were no acquired businesses in 2020.

#### **Discontinued operations and assets held for sale**

There were no discontinued operations or assets held for sales during the financial period of 1 January–31 December 2021 or during 2020.

#### **TANGIBLE RIGHT-OF-USE ASSETS (M€)**

	31.12.2021	31.12.2020
Acquisition cost at the beginning of the period	317.9	293.8
Translation differences	0.1	-0.4
Additions, includes additions made in accordance with the IFRS 16 standard	23.2	27.4
Additions, acquired businesses	13.9	-
Decrease	-0.6	-2.8
Acquisition cost at the end of the period	354.5	317.9
Accumulated depreciation and impairment at the beginning of the period	244.8	242.7
Translation differences	0.1	-0.4
Accumulated depreciation, acquired businesses	0.9	-
Decrease and transfers	-0.5	-2.7
Depreciations and impairment for the period	7.1	5.2
Accumulated depreciation and impairment at the end of the period	252.4	244.8
Book value at the end of the period	102.1	73.1

#### **LEASED RIGHT-OF-USE ASSETS (M€)**

	31.12.2021	31.12.2020
Acquisition cost at the beginning of the period	11.7	2.1
Translation differences	0.0	0.0
Increase	14.0	9.9
Increase acquired businesses	6.3	-
Divestment and other decreases	-0.6	-0.3
Acquisition cost at the end of the period	31.4	11.7
Accumulated depreciation and impairment at the beginning of the period	-1.5	-1.0
Translation differences	0.0	0.0
Accumulated depreciation of decrease and transfers	0.5	0.4
Depreciation for the financial period	-1.6	-0.8
Accumulated depreciation and impairment at the end of the period	-2.6	-1.5
Book value at the beginning of the period	10.2	1.1
Book value at the end of the period	28.7	10.2

The increases to the right-of-use assets during the review period include EUR 12.2 (9.3) million in acquisitions for process equipment related to the new production facility in Raisio's industrial area.

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

	31.12.2021	31.12.2020
Rental income	0.7	0.6
Depreciations for right-of-use assets	-1.6	-0.7
Costs of short-term and low-value leases	0.0	0.0
Interest expenses related to leases	-0.2	0.0
Total	-1.1	-0.2
Outgoing cash flow resulting from leases	1.5	0.8

#### LEASE LIABILITIES (M€)

	31.12.2021	31.12.2020
Non-current lease liabilities	10.2	1.1
Translation difference	0.0	0.0
Increase in lease liabilities, acquired businesses	6.3	-
Increase in lease liabilities	13.8	9.9
Payments related to decrease of lease liabilities	-1.5	-0.8
Total	28.8	10.2
Non-current lease liabilities at the beginning of period	9.5	0.3
Non-current lease liabilities at the end of period	25.6	9.5
Current lease liabilities at the beginning of period	0.6	0.8
Current lease liabilities at the end of period	3.2	0.6

The increases to lease liabilities during the review period include EUR 12.2 (9.3) million in right-of-use asset acquisitions for process equipment related to the new production facility in Raisio's industrial area. Raisio Group has entered to balance sheet approximately EUR 21.5 million in lease liabilities in connection with its new production facility. In the future, the Group will be exposed to an annual outgoing cash flow of approximately EUR 2.0 million in connection with the new production facility.

#### PROVISIONS (M€)

	31.12.2021	31.12.2020
At the beginning of the period	-	1.2
Translation differences	-	-0.1
Increase in provisions	-	-
Provisions used	-	-1.1
At the end of the period	-	0.0

Use of the provision for the comparison period EUR 1.1 million relates to the provision related to the sale of the confectionery business in 2017.

#### RELATED PARTY TRANSACTIONS (M€)

	31.12.2021	31.12.2020
Sales to key employees in management	3.6	1.0
Purchases from key employees in management	10.0	0.9
Receivables from the key persons in the management	0.1	0.1
Payables to key management personnel	0.1	0.1

#### CONTINGENT LIABILITIES (M€)

	31.12.2021	31.12.2020
Contingent off-balance sheet liabilities		
Other liabilities	4.6	3.0
Guarantee liabilities on the Group companies' commitments	1.5	2.2
Commitment to investment payments	2.4	5.7
Commitment to right-of-use assets	0.0	12.1
Contingent off-balance sheet assets		
Damages receivables based on an arbitration award	-	2.9

At the end of the comparison period in 2020, Raisio Group received a positive arbitration award for the partial suspension of Raisioaqua's business activities in 2018. On the basis of the judgement, the supplier was obligated to pay Raisio Group EUR 2.9 million as compensation for damages including penalty interest. Due to the uncertainty concerning the compensation for damages, they were not recognised in the 2020 financial statements.

#### DERIVATIVE CONTRACTS (M€)

	31.12.2021	31.12.2020
Nominal values of derivative contracts		
Currency forward contracts	33.1	34.5
Currency option	11.5	11.9
Interest rate swap	15.5	-

#### 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 31.12.2021	Fair value 31.12.2021	Carrying amount 31.12.2020	Fair value 31.12.2020
<b>Financial assets</b>				
Equity investments*)	2.8	2.8	2.8	2.8
Accounts receivables and other receivables	32.1	32.1	26.9	26.9
Investments recorded at fair value through profit or loss*)	67.9	67.9	71.7	71.7
Liquid funds	21.1	21.1	21.5	21.5
Derivatives*)	0.0	0.0	0.1	0.1
<b>Financial liabilities</b>				
Other loans	0.3	0.3	0.0	0.0
Lease liabilities	28.8	28.8	10.2	10.2
Accounts payable and other liabilities	26.7	26.7	20.1	20.1
Derivatives*)	0.2	0.2	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€)**

	1-12/2021	1-12/2020
Capital gains and losses of fixed assets	-0.1	-0.1
Costs of share rewards	0.8	0.6
Provisions	-	-1.1
Other	0.0	0.0
Total adjustments in cash flow statement	0.8	-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€)**

	1–12/2021	1–12/2020
Acquisitions of fixed assets in total	<b>-24.2</b>	-28.5
Payments for investments of earlier financial periods (change in liabilities)	<b>13.5</b>	4.5
Contract on financing for investments from earlier years	-	3.9
Acquired businesses	<b>-7.0</b>	-
Investments funded by lease commitments or other interest-bearing debt	<b>-1.5</b>	-0.8
<b>Fixed asset acquisitions funded by cash payments</b>	<b>-19.2</b>	-20.9
Capital gain and loss on fixed assets in the income statement	<b>0.4</b>	0.4
Balance sheet value of disposed asset	<b>0.0</b>	0.3
<b>Consideration received from fixed asset divestments in the cash flow statement</b>	<b>0.4</b>	0.7

**Reconciliation of liabilities related to financing activities (M€)**

	31.12.2020	Non cash flow influenced changes					31.12.2021
		Cash flows	IFRS 16	Changes in exchange rates	Acquired business	Other changes	
Non-current liabilities	0.0	<b>-0.1</b>	-	-	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>
Lease liability	10.2	<b>-1.5</b>	<b>13.8</b>	<b>0.0</b>	<b>6.3</b>	-	<b>28.8</b>
<b>Total liabilities for financing activities</b>	10.2	<b>-1.6</b>	<b>13.8</b>	<b>0.0</b>	<b>6.6</b>	<b>0.0</b>	<b>29.1</b>

**RECONCILIATIONS OF ALTERNATIVE KEY FIGURES**
**Items affecting comparable EBIT**

		10–12/2021	10–12/2020	1–12/2021	1–12/2020
<b>Comparable EBIT</b>		<b>3.9</b>	4.4	<b>22.1</b>	27.7
- Expenses related to the acquired business		-	-	<b>-0.6</b>	-
- Expenses related to the reorganisation	M€	<b>-0.4</b>	-	<b>-0.5</b>	-
+ Provision concerned to the discontinued business	M€	-	1.1	-	1.1
+ Income from the sale of the receivable	M€	-	-	<b>2.8</b>	-
Items affecting comparability, in total	M€	<b>-0.4</b>	1.1	<b>1.7</b>	1.1
<b>EBIT</b>	M€	<b>3.5</b>	5.5	<b>23.8</b>	28.9

**Items affecting comparable EBITDA**

		10-12/2021	10-12/2020	1-12/2021	1-12/2020
<b>Comparable EBITDA</b>		<b>6.6</b>	5.9	<b>30.5</b>	33.9
+/- Items affecting EBIT	M€	<b>-0.4</b>	1.1	<b>1.7</b>	1.1
Items affecting comparability, in total	M€	<b>-0.4</b>	1.1	<b>1.7</b>	1.1
<b>EBITDA</b>	M€	<b>6.2</b>	7.1	<b>32.2</b>	35.1
+/- Impairments	M€	<b>0.0</b>	0.0	<b>0.0</b>	0.0
+/- Depreciations	M€	<b>-2.6</b>	-1.5	<b>-8.4</b>	-6.2
<b>EBIT</b>	M€	<b>3.5</b>	5.5	<b>23.8</b>	28.9

**QUARTERLY EARNINGS (M€)**

	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020	7-9/ 2020	4-6/ 2020	1-3/ 2020
Net sales by segment								
Healthy Food	<b>38.0</b>	36.3	34.7	34.4	33.9	32.5	31.6	37.3
Healthy Ingredients	<b>30.4</b>	41.3	38.9	22.3	26.4	39.2	34.3	25.6
Other operations	<b>0.4</b>	0.3	0.3	0.4	0.5	0.3	0.3	0.4
Interdivisional net sales	<b>-8.5</b>	-8.4	-7.3	-7.1	-6.9	-7.0	-6.4	-8.6
<b>Total net sales</b>	<b>60.3</b>	69.5	66.7	50.0	53.9	65.1	59.9	54.7
EBIT by segment								
Healthy Food	<b>4.9</b>	5.6	3.9	4.8	4.2	5.1	4.0	5.3
Healthy Ingredients	<b>0.0</b>	2.9	1.7	3.5	1.8	4.8	3.7	2.2
Other operations	<b>-1.4</b>	-0.3	-1.1	-0.8	-0.5	-0.1	-0.8	-0.9
<b>Total EBIT</b>	<b>3.5</b>	8.2	4.5	7.5	5.5	9.8	7.0	6.6
Financial income and expenses, net	<b>0.1</b>	0.0	0.5	0.3	1.1	0.8	2.5	-3.9
<b>Result before taxes</b>	<b>3.6</b>	8.3	5.1	7.8	6.7	10.6	9.5	2.7
Income taxes	<b>0.5</b>	-1.7	-1.1	-1.6	-1.1	-2.2	-2.1	-0.6
<b>Result for the period</b>	<b>4.1</b>	6.6	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
<b>Total net sales</b>	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
<b>Total EBIT</b>	4.3	10.7	7.3	5.0
Financial income and expenses, net	-0.2	0.6	0.6	0.3
<b>Result before taxes</b>	4.0	11.3	7.8	5.3
Income taxes	-0.1	-2.3	0.6	-1.1
<b>Result for the period</b>	4.0	9.0	8.4	4.1

**KEY FIGURES**

	31.12.2021	31.12.2020
Net sales, M€	246.4	233.6
Change of net sales, %	5.5	-1.2
Operating margin, M€	32.2	35.1
Comparable operating margin, M€	30.5	33.9
Depreciation and impairment, M€	8.4	6.2
EBIT, M€	23.8	28.9
% of net sales	9.7	12.4
Comparable EBIT, M€	22.1	27.7
% of net sales	9.0	11.9
Result before taxes, M€	24.7	29.4
% of net sales	10.0	12.6
Return on equity, %	7.6	8.7
Return on investment ROIC, %	8.8	11.7
Comparable return on investment ROIC, %	8.3	11.1
Interest-bearing financial liabilities at end of period, M€	29.1	10.2
Net interest-bearing financial liabilities at end of period, M€	-60.0	-83.0
Working capital	36.1	36.8
Equity ratio, %	79.3	85.7
Net gearing, %	-21.4	-30.8
Gross investments, M€	24.2	28.5
% of net sales	9.8	12.2
R & D expenses, M€	3.7	4.3
% of net sales	1.5	1.9
Average personnel	381	348
Earnings/share, €	0.13	0.15
Comparable earnings/share, €	0.12	0.14
Cash flow from operations, M€	34.5	34.7
Cash flow from operations/share, €	0.22	0.22
Equity/share, €	1.77	1.71
Average number of shares during the period, in 1,000s		
Free shares	127 268	126 180
Restricted shares	30 933	31 236
Total *	158 201	157 416
Average number of shares at end of period, in 1,000s		
Free shares	127 708	126 213
Restricted shares	30 748	31 233
Total *	158 456	157 446
Market capitalisation of shares at end of period, M€		
Free shares	430.4	402.6
Restricted shares	104.9	101.5
Total *	535.2	504.1 *
Share price at end of period		
Free shares	3.37	3.19
Restricted shares	3.41	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), %	$\frac{\text{Result after taxes}}{\text{Operating cash* + net working capital} + \text{non-current assets}} \times 100$ (*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, %	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{advances received}} \times 100$
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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	$\text{Sales receivables and other receivables} + \text{inventories} - \text{accounts payable} - \text{other liabilities}$
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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	$\text{Interest-bearing financial liabilities} - \text{liquid funds and liquid financial assets at fair value through profit or loss}$
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Net interest-bearing financial liabilities measures the Group's net financial debt.

Net gearing, %	$\frac{\text{Net interest-bearing financial liabilities}}{\text{Shareholders' equity}} \times 100$
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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	$\frac{\text{Profit for the period attributable to the parent company shareholders} \pm \text{items affecting comparability}}{\text{Average number of shares during the period adjusted for issues}}$
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Earnings per share represents the company's earnings per one share without items affecting comparability.

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

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

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

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



Raisio plc – Raisonkaari 55 - P.O. Box 101 – FI-21201 Raisio, Finland

Tel. +358 2 443 2111

Business ID 0664032-4 – Domicile Raisio, Finland

[www.raisio.com](http://www.raisio.com)