



Interim Report January–March 2022

Raisio plc



Raisio plc's Interim Report, 4 May 2022, at 8.30 a.m.

STRONG GROWTH AMID MARKET AND GLOBAL TURMOIL

FINANCIAL DEVELOPMENT IN BRIEF

January–March 2022, continuing operations

- The Group's net sales totalled EUR 55.1 (47.5) million, which signified a growth of 15.9%.
- Comparable EBIT amounted to EUR 0.1 (4.3) million. That accounted for 0.2 (9.1)% of net sales.
- EBIT was EUR -4.0* (7.1**) million, accounting for -7.3 (15.0)% of net sales.
- The Healthy Food Segment's net sales totalled EUR 35.6 (32.0) million. EBIT was EUR 2.7 (4.5) million, which accounted for 7.6 (14.1)% of net sales.
- The Healthy Ingredients Segment's net sales totalled EUR 29.0 (22.3) million. Comparable EBIT was EUR -1.3 (0.7) million, accounting for -4.6 (3.0)% of net sales. EBIT was EUR -5.5 (3.5) million, which accounted for -18.8 (15.5)% of net sales.
- The Group's cash flow from business operations after financial items and taxes totalled EUR -5.6 (3.5) million.
- The comparable return on investments (ROIC) was -1.9 (6.8)% and the return on investments (ROIC) was -7.4 (11.0)%.
- The overall effect of currency conversions was EUR 0.6 (-1,0) million on net sales, EUR 0.1 (-0.1) million on the comparable EBIT and EUR 0.1 (-0.1) million on EBIT.

*EBIT includes a EUR 4.1 million impairment loss from tangible fixed assets.

**EBIT includes EUR 2.8 million in other operating income for the sale of the receivable.

January–March 2022, discontinued operations

- Net sales totalled EUR 2.1 (2.4) million, which signified a decrease of 10.9%.
- EBIT amounted to EUR -2.7 (0.3) million. EBIT for the review period includes an estimated impairment loss of EUR 2.9 million for asset valuation.

OUTLOOK 2022

On 3 March 2022, Raisio withdrew its financial guidelines for 2022 due to the Ukraine war and the unprecedented rise in the price of grain-based raw materials that are key to Raisio as well as uncertainty created by the challenges concerning the availability of these raw materials.

Raisio's previous guidelines, published on 9 February 2022: In 2022, Raisio estimates that net sales will increase by approximately 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

		1–3/2022	1–3/2021	1–12/2021
Net sales	M€	55.1	47.5	237.3
Change in net sales	%	15.9	-8.2	5.9
Comparable EBITDA	M€	2.8	5.9	29.4
EBITDA	M€	2.8	8.7	31.1
Comparable EBIT	M€	0.1	4.3	21.0
Comparable EBIT of net sales	%	0.2	9.1	8.8
EBIT	M€	-4.0	7.1	22.7
EBIT of net sales	%	-7.3	15.0	9.5
Comparable earnings per share	€	-0.01	0.02	0.12
Earnings per share	€	-0.03	0.04	0.13

CURRENCY CONVERSIONS IMPACTS ON NET SALES AND EBIT

		1–3/2022	1–3/2021	1–12/2021
Net sales	M€	0.6	-1.0	0.9
Comparable EBIT	M€	0.1	-0.1	0.3
EBIT	M€	0.1	-0.1	0.3

CEO PEKKA KUUSNIEMI:

The year 2022 got underway in a highly promising way, the new strategy period was initiated and the company had measures in place to support the organic growth that began already during the previous financial period. Although the exceptionally poor grain harvest from the previous year and the ongoing threatening activities of Russia toward the end of the year had increased grain prices and, in part, other costs as well, but we were prepared for these changes. At the start of the year, however, we couldn't have predicted the extent to which these factors would devastate the markets as they now have.

Russia's brutal war of aggression in Ukraine is straining the global food system and Raisio as part of this value chain. Once the war broke out, we very quickly made the decision to stop all export activities to Russia. This firm decision had significant impacts, particularly on the fish feed producer, Raisioaqua Ltd, as two thirds of its net sales are typically from deliveries to Northwest Russia. For this reason, we initiated change negotiations as a means of controlling costs in this unit. Furthermore, the decision was made to transfer our subsidiary in Russia that primarily focused on the sales of oat-based foods to discontinued operations and search for a fast solution to continue the activities of that company.

Despite the dramatic changes in our operational environment during the review period, Raisio's net sales increased considerably to EUR 55.1 (47.5) million, which signifies an increase of as much as 15.9 per cent. The comparable EBIT, on the other hand, declined significantly as a result of two factors; firstly, the completely unprecedented rise in the price of grain and other costs and, secondly, the planned additional investments intended to boost the growth of the company. Comparable EBIT was EUR 0.1 (4.3) million, accounting for 0.2 (9.1) per cent of net sales. Of the aforementioned factors, the increase of grain acquisition prices and other costs play a more significant part in the decline of profitability.

Raisio has worked resolutely to counter these negative cost impacts, and we believe that our efforts will notably improve profitability as the year progresses. Of course, a loss of 15 per cent in net sales at one go will inevitably have an impact on everything we do in the company over the coming year. The lost business have contributed to financing our growth and now, we must act quickly to rethink the financing of our growth plans and scheduling.

Raisio's long-established and focused strategic position as an industrial manufacturer and marketer of healthy foods and ingredients remains highly relevant. Raisioaqua and the Russian food market were not in the forefront of our strategy, so no significant change in direction is considered necessary. We will continue to follow our chosen path with the strong reinforcement of megatrends with additional consideration for the changing conditions.

The past two plus years have been extremely exceptional. Raisio managed well throughout the pandemic and will continue to thrive despite the exceptional period caused by the war. Within this crisis, the company is faced with relatively larger challenges than it faced during the COVID-19 years, but we will conquer these challenges with the help of our great personnel and other strong suits. I extend my warmest gratitude to the entire personnel for a job well done!

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 focus areas together provide for more than two thirds of the total net sales of Raisio Group. During the review period, Raisio Group had net sales of EUR 55.1 (47.5) million and the combined net sales for the three areas of focus amounted to EUR 42.6 (37.3) million.

Net sales for strategic areas of focus:

		1–3/2022	1–3/2021	1–12/2021
Net sales	M€	42.6	37.3	159.9
Benecol® and plant stanol ester solutions	M€	28.4	27.2	114.3
Value-added oat products and ingredients	M€	12.4	9.9	39.6
Plant-based products	M€	1.8	0.1	6.1

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 suspension of export activities to Russia, which Raisio announced on 3 March 2022, does not change the advancement, as planned, of our strategy or chosen areas of focus, now or in the future.

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.

Raisio Group has decided to terminate its consumer business in Russia. The decision was based on a rapid strategical assessment initiated at the end of February in response to Russia's military invasion of Ukraine. The activities of our Russian subsidiary responsible for Russian consumer business within the Healthy Food Segment in Eastern and Central Europe are classified in the reporting for the first quarter of 2022 as assets being held for sale and reported as discontinued operations. The comparable figures of earlier review periods have been changed accordingly.

UKRAINE WAR

On 3 March 2022, Raisio announced the suspension of all export activities to Russia as a result of Russia's attack on Ukraine, which began on 24 February 2022.

Raisio does not have any of its own industrial activities in the Russian or Ukrainian markets. Despite this, the Ukraine war gives rise to significant uncertainty concerning the development of Raisio's net sales and profitability in 2022. As a result of the geopolitical instability, the prices of grain raw materials that are essential for Raisio have risen dramatically. In addition to unprecedented cost impacts, this will also have an effect on the availability of grain raw materials.

The suspension of export activities to Russia will cause an approximate 15 per cent loss in Raisio's net sales. Raisio has been exporting foods and Raisioaqua's fish feeds to the country. The majority of the net sales accrued from Russia have come from the export of fish feeds. Approximately 65 per cent of the fish feeds produced by Raisioaqua have been exported to Northwest Russia. The production also plays a vital role in Finland's fish farming and security of supply. Due to the extensive overall impacts, we are being forced to very carefully consider the ramifications of the decisions concerning this area of business.

FINANCIAL DEVELOPMENT

January–March, continuing operations

Raisio Group's net sales totalled EUR 55.1 (47.5) million. The Group's net sales increased significantly from the comparison period. Both the Healthy Food Segment and Healthy Ingredients Segment contributed to the growth. Sales in the key markets for our consumer brands, particularly in Finland, increased especially well in relation to the comparison period. Net sales in the Eastern European markets increased slightly from the comparison period. 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 distribution was geared towards growth in the relative amount of value-added products. The Verso Food business, which was acquired on 1 April 2021, supported the growth in the net sales of the whole Group.

Raisioaqua's net sales decreased clearly from the comparison period as a result of the suspension of exports to Russia. The impact on the Group's net sales during the reporting period caused by the suspension of fish feed exports to Russia was, however, minimal, since the sales of and demand for fish feed typically fall in Raisioaqua's second and third quarters.

Raisio Group's comparable EBIT was EUR 0.1 (4.3) million, which accounted for 0.2 (9.1) per cent of net sales. EBIT was EUR -4.0 (7.1) million, which accounted for -7.3 (15.0)% of net sales. The exceptionally strong price pressures during the review period carried through the entire supply chain, from procurement to transports and raw materials. The prices of Raisio's key grain raw materials have continued their rise during the first quarter, thereby placing significant price pressures. The impacts of the Ukraine war are considerable, particularly in the areas surrounding Europe that are dependent on imported grain and oil plants. The interruption in grain exports from these areas since Russia's invasion has further increased the prices. The increase in prices has continued during the first quarter and the prices have remained at a record high level as the Ukraine war continues. In Finland, the prices of grain are consistent with the international development. The sharp rise in grain prices has indirectly affected the supply rhythm. The grain balance was in deficit already prior to the exceptional situation caused by the war. During the review period, Raisio has carried out significant co-operation with other actors as a means of controlling the price risks and narrowing availability. Profitability was also challenged by the unprofitability of the Verso Food business and, on the Group level, significantly larger investments in sales and marketing in relation to the comparison period.

The conversion impact on the Group's net sales was EUR 0.6 (-1.0) million. The share of the impact caused by the British pound was EUR 0.6 (0.2) million and by other currencies EUR 0.0 (-0.3) million.

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

The depreciations and impairments totalled EUR 6.9 (1.5) million. The depreciations during the review period include a EUR 4.1 million impairment loss in tangible fixed assets from the fish feed business. The Group's net financial items were EUR -1.3 (0.3) million. The financial items from the comparison period included EUR 1.2 million income for the sales of reserves. The Group's pre-tax result was EUR -5.3 (7.4) million. The Group's post-tax result was EUR -4.4 (5.9) million. The Group's earnings per share were EUR -0.03 (0.04) and the comparable figure was EUR -0.01 (0.02).

BALANCE SHEET, CASH FLOW AND FINANCING

At the end of March, Raisio Group's balance sheet totalled EUR 349.5 (31 December 2021: 354.4) million. Shareholders' equity was EUR 273.9 (31 December 2021: 280.7) million. Equity per share totalled EUR 1.73 (31 December 2021: 1.77) million. Changes in equity are described in detail in the Table section below.

The Group's cash flow from continuing business operations after financial items and taxes totalled EUR -5.6 (3.5) million. During the review period, cash flow was weakened by reduced profits from business in addition to growth in working capital. The cash flow of the comparison period included EUR 2.8 million in other operating income for the sale of the receivable.

At the end of March, working capital from continuing operations amounted to EUR 43.6 (31 December 2021: 34.4) million. At the end of March, the Group's interest-bearing debt was EUR 28.9 (31 December 2021: 29.1) million. Net interest-bearing debt was EUR -51.6 (31 December 2021: -60.0) million.

At the end of March, Raisio's financial assets recognised at fair value through profit or loss, as well as cash and cash equivalents totalled EUR 80.4 (31 December 2021: 89.0) million. Cash reserves are primarily invested in low-risk, liquid investment objects.

At the end of March, the Group's equity ratio totalled EUR 78.4 (31 December 2021: 79.3) per cent and net gearing was -18.8 (31 December 2021: -21.4) per cent. The return on investments (ROIC) was -7.4 (31 December 2021: 8.5) per cent and the comparable return on investments (ROIC) was -1.9 (31 December 2021: 8.0) per cent.

Key figures for the balance sheet and financing

		31.3.2022	31.3.2021	31.12.2021
Cash flow from operations	M€	-5.6	3.5	34.0
Equity ratio	%	78.4	84.9	79.3
Net gearing	%	-18.8	-28.8	-21.4
Net interest-bearing debt	M€	-51.6	-80.6	-60.0
Equity per share	€	1.73	1.78	1.77
Investments	M€	1.7	6.5	24.2
Comparable return on investment (ROIC)	%	-1.9	6.8	8.0
Return on investment (ROIC)	%	-7.4	11.0	8.5

INVESTMENTS

The January–March investments totalled EUR 1.7 (6.5) million, or 3.1 (13.8) per cent of net sales.

In keeping with our strategy, we will continue with investments to ensure our continued growth in value-added oat products and plant-based products. During the second quarter of 2021, the decision was made to renew the pasta line located in Raisio's industrial area. This requires a replacement investment of approximately EUR 3.5 million. As a result of the global component shortage in electronics, this investment will be deviate from its earlier stated timetable and will be completed during summer 2023. The investment facilitates a better collective use of different ingredients and new commercial product applications. The production facility in Kauhava is planning measures to expand the processing of fava beans during summer 2022.

Launched during the summer of 2021, the carbon-neutral oat bark-based steam production from the side streams of production at Nokia's mills has, in a short time span, proven its usefulness as a means of ensuring not only responsibility but also the availability of cost-effective energy. With this investment, Raisio's production facilities will no longer have need to utilise natural gas.

PERSONNEL

At the end of March, Raisio Group employed 387 (361) people, of which 20 (20) were working for subsequently discontinued operations. In terms of personnel, the Healthy Food Segment had 124 (134) employees, of which 20 (20) were working for subsequently discontinued operations. The Healthy Ingredients Segment had 217 (181) and Other Operations 46 (46) employees. 12 (13) per cent of the personnel in continuing operations were working in Raisio's foreign operations.

RESEARCH AND DEVELOPMENT

Raisio's research and development expenses in January–March totalled EUR 0.9 (1.0) million, or 1.5 (2.1) per cent of net sales. During the comparison period, the research and development expenses included an acquisition expense of EUR 0.1 million for the new production facility built in Raisio's industrial area.

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

Elovena® holds the top position on the most recent Sustainable Brand Index list, which reflects Finnish views on brand responsibility. The results published in March show that Raisio has been engaged in successful and systematic responsibility work for years already.

During autumn 2021, Elovena brought seven new oat-based products to food shops, and during the first quarter of 2022, Elovena Oat Drink Barista and Elovena Soft Oat Bars were launched on the market.

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–March, continuing operations

The Healthy Food Segment's net sales totalled EUR 35.6 (32.0) million. Net sales increased significantly in Northern Europe and slightly in Western, Eastern and Central Europe. The Verso Food business had a positive effect on net sales.

Altogether approximately 47 per cent of the Healthy Food Segment's net sales were generated in Northern Europe, where Raisio's well-known brands are Elovena, Benecol, Beanit®, Härkis®, Sunnuntai®, Nalle® and Torino®. Around 45 per cent of net sales were generated from the sale of Benecol products in the Western European markets. Approximately 8 per cent of the net sales were generated in Eastern and Central Europe, where Benecol and Nordic are among Raisio's well-known brands.

The Healthy Food Segment's EBIT amounted to EUR 2.7 (4.5) million, which accounted for 7.6 (14.1) per cent of net sales. The prices of Raisio's key raw materials have continued their rise during the first quarter, thereby placing significant price pressures. Raisio has carried out successful co-operation with other actors during the review period as a means of controlling price risks. The increased investments in sales and marketing also had a negative impact on profitability during the first quarter.

The currency conversion impact on the Healthy Food Segment's net sales was EUR 0.6 (-1.0) million and EUR 0.1 (-0.1) million on comparable EBIT and EBIT.

Key figures for the Healthy Food Segment

		1–3/2022	1–3/2021	1–12/2021
Net sales	M€	35.6	32.0	134.3
Western Europe	M€	16.0	15.5	63.1
Northern Europe	M€	16.9	13.9	59.8
Eastern and Central Europe	M€	2.7	2.6	11.4
Comparable EBIT	M€	2.7	4.5	18.4
Comparable EBIT	%	7.6	14.1	13.7
EBIT	M€	2.7	4.5	18.1
EBIT	%	7.6	14.1	13.5
Net assets	M€	88.2	87.1	89.5

Business operations, January–March

Western Europe

Net sales for the Western European operations amounted to EUR 16.0 (15.5) million. EBIT weakened significantly.

Net sales from and the market share of the Benecol business in the UK increased from the comparison period. Raisio's current other categories also succeeded well during the review period, but EBIT was challenged by the strong marketing pressures, particularly those intended to support the 2022 sales of new Benecol OAT products.

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 review period. 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 lockdowns and restrictions in the UK, as result of the pandemic, were mainly lifted during summer 2021. It remains to be seen whether the demand will recover to the levels before the onset of the pandemic.

In Ireland, net sales and EBIT remained at the level of the comparison period, when Ireland had a strong peak in sales in response to the pandemic. Marketing investments over the past two years have been successful and Benecol products have acquired new consumers within these markets. In Belgium, net sales increased significantly in relation to the comparison period, but EBIT saw a significant decline. The increased sales and marketing investments were reflected in the increased sales figures, while EBIT weakened in proportion to the increased marketing costs.

Northern Europe

Net sales for the Northern European operations amounted to EUR 16.9 (13.9) million. EBIT decreased significantly from the level of the comparison period. Despite the high comparison figures, Raisio's brands succeeded excellently within the markets. The clear growth in net sales was thanks to Raisio's strong brands, Benecol, Elovena, Sunnuntai 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 half of the year. The increased sales volumes during the first quarter of

the year were also an indication that the selected primary strategic areas of focus were functioning as intended. EBIT was weighted down by stronger sales and marketing investments than those of the comparison period.

Over the past year, launched Elovena Gluten Free products grew strongly in popularity with consumers. Elovena's sales growth was intense, at more than 23 per cent over the comparison period. Of the new products launched, sales were particularly boosted by Elovena Oat Drink Barista, manufactured in the new production facility, and Elovena Soft Oat Bars from the company's existing production line. The sales of instant porridge, snack biscuits and flakes also increased particularly well. In addition to these, traditional flakes, flour products and pasta achieved larger than usual sales volumes. Sales in Benecol products in Finland increased by over 4 per cent during the review period.

Eastern and Central Europe

Net sales for the Eastern and Central European operations totalled EUR 2.7 (2.6) million. Profitability remained on relatively the same level as that of the comparison period.

Net sales in Ukraine increased significantly. EBIT experienced a relatively minor decrease. The start of the review period was extremely positive in Ukraine, when measured in terms of sales volumes. Russia's invasion of Ukraine, on 24 February 2022, however, completely cut off any further deliveries to Ukraine. During March, Raisio managed, with the help of its Ukrainian distribution network, to partially revoke the full-fledged delivery disruption. Deliveries reached their destinations in Western Ukraine, in particular, despite the highly challenging situation. Raisio endeavours to continue its sales in Ukraine to the extent permitted by the local conditions. Raisio is also prioritising deliveries to Ukraine within production and its order and delivery chain.

In Poland, net sales remained at the level of the comparison period, and EBIT also remained on relatively the same level as that of the comparison period. Price pressures were already visible in the Polish market at the start of the final quarter of last year and Raisio has, in this market as well, taken active measures to control profitability risks. The increased distribution coverage to different shops and updated commercial terms and conditions, undertaken last year, provide good growth outlooks, however, for the future of the business. 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.

The activities of our Russian subsidiary responsible for Russian consumer business within the Healthy Food Segment in Eastern and Central Europe are classified in the reporting for the first quarter of 2022 as assets being held for sale and reported as discontinued operations. The decision was based on a rapid strategical assessment initiated at the end of February in response to Russia's military invasion of Ukraine. Raisio has signed agreements for the sale of the subsidiary OOO Raisio Nutrition, which has handled the Group's consumer business in Russia, to the Russian company Copacker Agro Ltd. Raisio's Russian subsidiary has used the Nordic brand name in, among others, the Russian and Belarus markets, and in these markets, the rights to the brand name will be sold to the Estonian company Nordgate Trading Oü.

The OOO Raisio Nutrition and Nordic brand name deals are expected to be finalised by the end of May. The total purchase price is approximately EUR 1.5 million. As a result of the deal, Raisio will recognise an estimated impairment loss of EUR 2.9 million in its EBIT for the first quarter. The cumulative RUB/EUR translation difference related to Russia's consumer business totals EUR 2.3 million at the end of the first quarter. The impairment loss from Russia's consumer business does not affect the comparable EBIT of Raisio Group. Upon completion of the deal, the total loss is estimated to be EUR 3.6 million. These presented figures are preliminary estimates that will be affected by, among other aspects, RUB/EUR currency rate changes on the date the deal is finalised.

During the first quarter, the net sales of the Russian subsidiary was EUR 2.1 (2.4) million and EBIT was EUR -2.7 (0.3) million. The items in question have been classified in the reporting of the review period as assets available for sale and reported as discontinued operations.

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–March, continuing operations

The level of the Healthy Ingredients Segment's net sales significantly exceeded those of the comparison period, at EUR 29.0 (22.3) 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 dramatically. The development of sales in oat products and gluten-free oat products continued to be strong.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR -1.3 (0.7) million, which accounted for -4.6 (3.0) per cent of net sales. The Healthy Ingredients Segment's EBIT was EUR -5.5 (3.5) million, which accounted for -18.8 (15.5) per cent of net sales. EBIT for the review period included EUR 2.8 million in other operating income for the sale of the receivable.

During the review period, the cost pressures of prices in the Health Ingredients Segment were carried through the entire supply chain. The prices of Raisio's key grain raw materials have continued their rise during the first quarter, thereby placing significant price pressures. During the review period, Raisio carried out significant co-operation with other actors as a means of mitigating the price risks and availability issues. In terms of the availability of raw materials and packaging, we have succeeded in safeguarding the continuity of our activities within this challenging market situation. In production, we have successfully adapted our activities to correspond with the rapid changes in demand.

Key figures for the Healthy Ingredients Segment

		1–3/2022	1–3/2021	1–12/2021
Net sales	M€	29.0	22.3	132.9
Comparable EBIT	M€	-1.3	0.7	6.1
Comparable EBIT	%	-4.6	3.0	4.6
EBIT	M€	-5.5	3.5	8.1
EBIT	%	-18.8	15.5	6.1
Net assets	M€	123.9	98.9	120.1

Business operations, January–March

Fish feeds

In March 2022, Raisio announced that it was suspending all export activities to Russia. The majority of the net sales accrued from Russia have come from the export of fish feeds. Approximately 65 per cent of the overall production of Raisioaqua, which produces fish feeds, have been exports to Northwest Russia. Recent events are naturally reflected as decreased net sales and profitability for Raisioaqua. The impact on the Group's net sales during the reporting period caused by the suspension of fish feed exports to Russia was, however, minimal, since the sales of and demand for fish feed typically fall in Raisioaqua's second and third quarters. Raisioaqua's production also plays a vital role in Finland's fish farming and security of supply. Due to the extensive overall impacts, we are being forced to very carefully consider the ramifications of the decisions concerning this area of business.

As a result of this extremely regrettable event, which is beyond the control of Raisioaqua's personnel, adaptation measures have been initiated in the company to meet the changed demand. On 7 March 2022, Raisio announced that change negotiations in accordance with the Act on Co-operation within Undertakings (334/2007) had been initiated as concerns the entire personnel of Raisioaqua.

BtoB sales of grain-based products

Raisio's sales to Finnish bakeries and to industrial and catering customers increased dramatically. 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. The exceptionally high price pressures on raw material costs, which continued to increase for products with a lower degree of processing, in particular, put a significant burden on profitability.

Raisio continued its determined efforts to raise awareness of the company's oat products and oat expertise, particularly among international food industry operators. Growth in 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 continued to increase to an extremely significant degree. Raisio's export customers are both industrial end-users and distributors.

Benecol product ingredient sales to license partners

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

Grain procurement

Raisio's grain procurement primarily focuses on the acquisition of grain for the manufacturing of its own products. In accordance with our strategy, we are investing in the production and sales of value-added products. Actual external grain trade is part of Raisio's grain trade activities, but because of its low profitability, it is not included as one of the company's strategic areas of focus. The volumes of external grain trade have decreased significantly over the past few years, and the same trend continued during the first quarter as well.

Ukraine and Russia's share of the global grain and oil plant export trade is significant. The impacts are considerable in Europe, but primarily in the areas surrounding Europe that are dependent on imported grain and oil plants. The interruption in grain exports from these areas since Russia's invasion have increased grain prices. The increase in prices has been more than 35% during the first quarter and the prices have remained at a record high level as the war continues. During the years 2017–2020, the average price of oats has been about €170/t and the current price exceeds €400/t.

In Finland, the prices of grain are consistent with the international development. The market situation has been extremely challenging, since the grain balance following the poor harvest of 2021 was in deficit already prior to the exceptional situation caused by the war. The sharp rise in grain prices has indirectly affected the supply rhythm. Despite the critical situation, Raisio is endeavouring to procure its necessary grains from within Finland.

In order to safeguard the continuity of farming in Finland despite the rise in farming production costs, Raisio has launched a prepayment farming contract. Under the contract, farmers are paid in advance for their grain already before the grain has even been sown. The final grain settlement takes place in the autumn when the grain has been delivered to Raisio's mills. The contract has been well received.

SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-March totalled 7.6 (7.6) million. The value of trading was EUR 21.8 (27.6) million and the average price EUR 2.85 (3.62). The closing price on 31 March 2022 was EUR 2.67.

A total of 0.4 (0.5) million restricted shares were traded in January-March. The value of trading was EUR 1.2 (1.9) million and the average price EUR 3.09 (3.58). The closing price on 31 March 2022 was EUR 2.99.

On 31 March 2022, the company had a total of 36,013 (31 December 2021: 35,089) registered shareholders. Foreign ownership of the entire share capital was 18.9 (31 December 2021: 18.4) per cent.

Raisio plc's market capitalisation at the end of March totalled EUR 436.9 (31 December 2021: 557.8) million and, excluding the company shares held by the company, EUR 432.9 (31 December 2021: 535.2) million.

During the review period, a total of 44,000 restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 129,232,406 while the number of restricted shares was 30,703,928. The share capital entitled to 743,310,966 votes.

On 2 March, 2022 Raisio plc cancelled 5,000,000 of series V shares and all 212,696 series K shares in possession of the company, in total ca. 3.16 % of the total number of Raisio plc's shares. The cancellation of the shares did not affect the company's share capital. At the end of the review period, Raisio plc held 1,480,341 free shares. The number of free shares held by Raisio plc accounts for 1.15 per cent of all free shares and the votes they represent. In all, these shares represent 0.93 per cent of the entire share capital and 0.20 per cent of overall votes. Other Group companies hold no Raisio plc shares.

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

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

The Board of Directors had an authority to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. The authorisation was valid until 12 April 2022. Furthermore, the Board of Directors had the authority to decide on share issues by disposing of a maximum of 12,500,000 free shares and a maximum of 1,460,000 restricted shares held by the company as well as by issuing a maximum of 20,000,000 new free shares. The share issue authorisation was valid until 12 April 2022. Details on both are available in the Stock Exchange Release published on 13 April 2021.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

Raisio plc's Annual General Meeting (AGM) approved the financial statements for the financial year 1 January - 31 December 2021 and granted the members of the Board of Directors and the Supervisory Board as well as the CEO discharge from liability.

As proposed by the Board of Directors, the AGM decided to pay a dividend of EUR 0.14 for each restricted and free share. The dividend was paid on 26 April 2022 to a shareholder who was entered in the shareholders' register on the record date 14 April 2022. No dividend, however, was paid on the shares that were held by the company at that time.

The number of members of the Board of Directors was confirmed to be five (in 2021: five), and Erkki Haavisto, Leena Niemistö, Ann-Christine Sundell, Pekka Tennilä and Arto Tiitinen were reappointed; all for the term commencing at the closing of the AGM. At its meeting held after the AGM, the Board of Directors elected Arto Tiitinen as its Chairman and Ann-Christine Sundell as its Vice Chairman.

The Chairman of the Board will be paid a monthly fee of EUR 5,000 and the members a monthly fee of EUR 2,500. Approximately 20 per cent of the fee will be paid with the company's own shares and approximately 80 per cent in cash. The fees are paid in two equal instalments during the term so that the first payment will be made on 15 June and the second on 15 December. In addition, the Chairman of the Board and the chairmen of the committees elected by the Board of Directors among its members will be paid a fee of EUR 800 for each meeting and the members of the Board will be paid EUR 400 for each meeting; the same fees will be also paid to the members of the Board for the meetings of committees elected by the Board of Directors among its members. Attendance fees are paid in cash. Moreover, they will receive a daily allowance for the meeting days and they will be reimbursed for travel expenses according to the Company's travel policy.

The number of members of the Supervisory Board was confirmed to be 25. John Holmberg, Linda Langh, Jukka Niittyoja, Juha Salonen, Matti Seitsonen, Urban Silén and Mervi Soupas were re-elected as the members of the Supervisory Board, all for the term commencing at the closing of the AGM.

The annual remuneration payable to the Chairman of the Supervisory Board will be EUR 12,000. The Chairman and the members of the Supervisory Board will receive a payment of EUR 350 for each meeting, in addition to which their travel expenses will be compensated and they will receive a daily allowance for the meeting days according to the Company's travel policy. The Meeting also decided to pay the Chairman of the Supervisory Board – and if he/she is unable to attend, to the Deputy Chairman - a fee of EUR 350 for each attended meeting of the Board of Directors.

Auditing company Ernst & Young Oy (with Mikko Järventausta, APA, as the responsible auditor) and Minna Viinikkala (APA), were elected as auditors and Heikki Ilkka (APA) and Fredric Mattsson (APA) were elected as deputy auditors. The auditors' term began at the AGM and will end at the end of the next AGM.

The AGM resolved in accordance with Chapter 3, Section 14 a, subsection 3 of the Finnish Companies Act on the forfeiture of the shares held on the Joint Account concerning shares that had not been validly requested to

be registered in the book-entry system by 2 p.m. EET on 12 April, 2022. In case the share certificate is missing, a request for the shares to be registered must have been made no later than within the abovementioned time limit and the request for conversion must be finalized no later than by 4 p.m. EET on 30 November, 2022.

On 12 April, 2022 the Joint Account held a total of 587,728 restricted shares and 178,270 free shares, corresponding to ca. 0.5 per cent of all shares and ca. 1.6 per cent of all the votes. Forfeited shares become treasury shares and the provisions of the Finnish Companies Act on treasury shares shall be applied to them.

The AGM authorised the Board of Directors to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. The authorisation will be valid until the end of the following Annual General Meeting and until 30 April 2023 at the latest.

Furthermore, the AGM authorised the Board of Directors to decide on the share issues (1) by disposing of a maximum of 6,400,000 free shares and a maximum of 1,460,000 restricted shares held by the company, and (2) by issuing a maximum of 10,000,000 new free shares. The share issue authorisations will be valid until the end of the following Annual General Meeting and until 30 April 2023 at the latest.

The details of the authorisations are available in the Stock Exchange Release published on 12 April 2022.

The authorisation to repurchase own shares and to issue shares given by the AGM of 2021 expired on 12 April 2022.

DIRECTED SHARE ISSUE

In December 2018, Raisio plc's Board of Directors decided on the Group's key employees' share-based incentive scheme for the period that started on 1 January 2019 and ended on 31 December 2021.

Raisio plc's Board of Directors has on 16 March 2022 approved the bonuses to be paid under the share reward scheme as well as, in order to convey the part paid in shares to key employees, decided to implement a directed share issue without payment based on the authorisation granted to the Board of Directors by the Annual General Meeting of 13 April 2021.

In the share issue, a total of 239,854 Raisio plc's free shares held by the company were conveyed without consideration to the key employees within the share reward scheme, deviating from the shareholders' pre-emptive subscription right. The 239,854 free shares conveyed in the share issue correspond to 0.15 % of all Raisio plc's shares and 0.03 % of all votes.

From the company's point of view and taking into account the best interests of all of its shareholders, there is an especially weighty financial reason for the deviation from the shareholders' pre-emptive right in the directed share issue without payment by conveying company's own shares, since the purpose of the share reward scheme is to combine the objectives of owners and key employees in order to increase the company's value, as well as to commit the key employees to the company through direct share ownership. Direct share ownership is a way to further commit key employees to the company, as well as to strengthen the alignment of shareholders' and key employees' goals and interests.

The shares were conveyed to the recipients on 4 April 2022. The right to dividend and other shareholder rights begin on the day on which the shares have been registered in the key employee's book-entry account. The Board recommends that the key employees within the share reward scheme hold a substantial part of all shares they have received based on the scheme as long as the value of their holdings corresponds to their six months' gross salary.

SHORT-TERM RISKS AND SOURCES OF UNCERTAINTY

The pandemic situation currently appears to be easing off and we no longer feel that it poses any new risks to our business, but rather signals that things are moving towards more normal times. The impacts of the war initiated by Russia are discussed in the section of this report entitled “Ukraine war”.

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 FINANCIAL PERIOD

On 26 April 2022, Raisio announced that the change negotiations at Raisioaqua Ltd had been concluded. The motivations for the negotiations were production-related and financial as all exports to Russia had been stopped. Raisioaqua is a Finnish fish feed producer and feeding expert.

On 7 March 2022, Raisio issued its proposal for negotiations in accordance with the Act on Co-operation within Undertakings (334/2007). At that point, the assumption was that the negotiations might lead to furloughs of more than 90 days and would concern the entire personnel of around 30 employees.

The end result of the negotiations was the furlough of 27 employees. The duration and timing of the furloughs varies depending on each employee's role and they will last from 1–11 months. The varying timing and duration of furloughs ensures the production and supply of fish feed during the fish farming season.

On 29 April 2022, Raisio Group made an announcement concerning its Russian consumer business. Raisio has signed agreements for the sale of the subsidiary OOO Raisio Nutrition, which has handled the Group’s consumer business in Russia, to the Russian company Copacker Agro Ltd. Raisio’s Russian subsidiary has used the Nordic brand name in the Russian and Belarus markets, and in these markets, the rights to the brand name will be sold to the Estonian company Nordgate Trading OÜ. Operations held for sale were reported earlier in the Eastern and Central European operations for the Healthy Food Segment. The deal is expected to be finalised by the end of May 2022. The final completion of the transaction depends on the duration of the official proceedings.

In Raisio, Finland 4 May 2022
Raisio plc
Board of Directors

Further information:

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

The information in this Interim Report is unaudited.

The Finnish-language webcast concerning the Q1 result will take place at 12 noon on 4 May 2022. Raisio’s first quarter will be presented by CFO Mika Saarinen. The webcast can be accessed from the link found on Raisio’s website or directly from this link: <https://raisio.videosync.fi/2022-q1>

Raisio will publish its Half-Year Report for 2022 on 3 August 2022.

TABLE SECTION

THE GROUP'S INCOME STATEMENT (M€)

	1–3/2022	1–3/2021	1–12/2021
Net sales	55.1	47.5	237.3
Cost of sales	-47.8	-34.2	-178.5
Gross profit	7.3	13.3	58.8
Other operating income and expenses, net	-11.3	-6.2	-36.1
EBIT	-4.0	7.1	22.7
Financial income	0.1	1.5	2.8
Financial expenses	-1.4	-1.3	-1.9
Result before taxes	-5.3	7.4	23.6
Income taxes	0.9	-1.6	-3.6
Result for the period, continuing operations	-4.4	5.9	19.9
Result for the period, discontinued operations	-2.7	0.3	0.9
Result for the period	-7.2	6.2	20.9
Attributable to			
Equity holders of the parent company	-7.2	6.2	20.9
Earnings per share from the profit attributable to equity holders of the parent company (€)			
Undiluted earnings per share	-0.05	0.04	0.13
Diluted earnings per share	-0.03	0.04	0.13
Undiluted earnings per share, continuing operations	-0.03	0.04	0.13
Undiluted earnings per share, discontinued operations	-0.02	0.00	0.01

THE GROUP'S COMPREHENSIVE INCOME STATEMENT (M€)

	1–3/2022	1–3/2021	1–12/2021
Result for the period	-7.2	6.2	20.9
Other comprehensive income items			
Items that will not be reclassified to profit or loss			
Change in fair value of equity investments	0.6	0.0	0.4
Tax impact	-0.1	0.0	-0.1
Items that will not be reclassified to profit or loss, total	0.5	0.0	0.3
Items that may be subsequently transferred to profit or loss			
Change in value of cash flow hedging	0.4	-0.9	0.0
Change in translation differences related to foreign companies	-0.8	4.6	5.8
Tax impact	-0.1	0.2	0.0
Items that may be subsequently transferred to profit or loss, total	-0.4	3.8	5.8
Comprehensive income for the period	-7.1	10.0	26.9
Components of comprehensive income			
Equity holders of the parent company	-7.1	10.0	26.9

THE GROUP'S BALANCE SHEET (M€)

ASSETS	31.3.2022	31.3.2021	31.12.2021
Non-current assets			
Intangible assets	35.5	33.5	36.0
Goodwill	49.2	48.4	49.6
Tangible assets	97.3	78.2	102.1
Equity investments	3.4	2.4	2.8
Deferred tax assets	5.1	2.5	3.9
Total non-current assets	190.5	165.1	194.4
Current assets			
Inventories	44.0	39.4	37.9
Accounts receivables and other receivables	32.4	32.1	33.1
Financial assets at fair value through profit or loss	61.1	66.7	67.9
Cash and bank receivables	17.9	27.2	21.1
Total current assets	155.3	165.5	160.0
Assets classified as being held for sale*	3.6	-	-
Total assets	345.9	330.5	354.4
SHAREHOLDER'S EQUITY AND LIABILITIES	31.3.2022	31.3.2021	31.12.2021
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-3.2	-19.6	-17.8
Other equity attributable to equity holders of the parent company	249.3	271.6	270.7
Equity attributable to equity holders of the parent company	273.9	279.8	280.7
Non-controlling interests	-	-	-
Total shareholder's equity	273.9	279.8	280.7
Non-current liabilities			
Deferred tax liabilities	9.9	6.2	9.8
Non-current financial liabilities	25.5	12.7	25.9
Total non-current liabilities	35.4	18.9	35.7
Current liabilities			
Accounts payable and other liabilities	33.1	30.2	34.7
Derivative contracts	0.1	1.1	0.2
Current financial liabilities	3.4	0.6	3.2
Total current liabilities	36.6	31.8	38.0
Debts and provisions related to assets being held for sale *	3.6	-	-
Total liabilities	72.0	50.8	73.7
Total shareholder's equity and liabilities	345.9	330.5	354.4

*The balance sheet of the comparison periods has not been adjusted.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (M€)

A = Share capital
B = Share premium reserve
C = Reserve fund
D = Invested unrestricted equity fund
E = Other reserves
F = Company shares
G = Translation differences
H = Retained earnings
I = Total shareholder's equity

Equity attributable to equity holders of the parent company	A	B	C	D	E	F	G	H	I
Shareholder's equity on 1 January 2022	27.8	2.9	88.6	10.2	-0.6	-17.8	-14.8	184.4	280.7
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	-7.2	-7.2
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.6	-	-	-	0.6
Tax impact	-	-	-	-	-0.1	-	-	-	-0.1
Change in value of cash flow hedging	-	-	-	-	0.4	-	-	-	0.4
Change in translation differences related to foreign companies	-	-	-	-	-	-	-0.8	-	-0.8
Tax impact	-	-	-	-	-0.1	-	-	-	-0.1
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.8	0.0	-0.8	-7.2	-7.1
Business activities involving shareholders									
Nullification of own shares	-	-	-	10.6	-	14.5	-	-25.2	0.0
Share-based payments	-	-	-	-	-	-	-	0.2	0.2
Total business activities involving shareholders	0.0	0.0	0.0	10.6	0.0	14.5	0.0	-24.9	0.2
Shareholder's equity on 31 March 2022	27.8	2.9	88.6	20.8	0.2	-3.2	-15.5	152.3	273.9

Equity attributable to equity holders of the parent company	A	B	C	D	E	F	G	H	I
Shareholder's equity on 1 January 2021	27.8	2.9	88.6	8.0	-0.9	-19.6	-20.6	183.2	269.5
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	6.2	6.2
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.0	-	-	-	0.0
Tax impact	-	-	-	-	0.0	-	-	-	0.0
Change in value of cash flow hedging	-	-	-	-	-0.9	-	-	-	-0.9
Change in translation differences related to foreign companies	-	-	-	-	-	-	4.6	-	4.6
Tax impact	-	-	-	-	0.2	-	-	-	0.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-0.8	0.0	4.6	6.2	10.0
Business activities involving shareholders									
Share-based payments	-	-	-	-	-	-	-	0.2	0.2
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Shareholder's equity on 31 March 2021	27.8	2.9	88.6	8.0	-1.6	-19.6	-16.0	189.6	279.8

Equity attributable to equity holders of the parent company	A	B	C	D	E	F	G	H	I
Shareholder's equity on 1 January 2021	27.8	2.9	88.6	8.0	-0.9	-19.6	-20.6	183.2	269.5
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	20.9	20.9
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.4	-	-	-	0.4
Tax impact	-	-	-	-	-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
Tax impact	-	-	-	-	0.0	-	-	-	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.3	0.0	5.8	20.9	26.9
Business activities involving shareholders									
Dividends	-	-	-	-	-	-	-	-20.6	-20.6
Undrawn dividends	-	-	-	-	-	-	-	0.1	0.1
Corporate acquisition	-	-	-	2.1	-	1.8	-	-	3.9
Share-based payments	-	-	-	-	-	0.0	-	0.8	0.8
Total business activities involving shareholders	0.0	0.0	0.0	2.1	0.0	1.8	0.0	-19.7	-15.7
Shareholder's equity on 31 December 2021	27.8	2.9	88.6	10.2	-0.6	-17.8	-14.8	184.4	280.7

CONSOLIDATED CASH FLOW STATEMENT (M€)

	1–3/2022	1–3/2021	1–12/2021
CASH FLOW FROM BUSINESS OPERATIONS			
Result before taxes	-8.2	7.4	23.5
Adjustments:			
Planned depreciations	6.9	1.5	8.4
Financial income and expenses	1.3	-0.3	-0.9
Other adjustments	3.0	0.2	0.8
Total adjustments	11.2	1.5	8.3
Cash flow before change in working capital	3.0	8.9	31.9
Change in working capital			
Increase (-) / decrease (+) in current receivables	-1.4	-2.8	-3.4
Increase (-) / decrease (+) in inventories	-6.5	-2.0	0.2
Increase (+) / decrease (-) in current interest-free liabilities	-0.3	-0.4	4.7
Total change in working capital	-8.2	-5.1	1.5
Cash flow from business operations before financial items and taxes	-5.2	3.8	33.3
Interest paid and payments for other financial expenses from business operations	-0.1	-0.1	-0.5
Dividends received from business operations	0.0	0.0	0.2
Interest received and other financial income from business operations	0.1	0.1	0.4
Other financial items, net	-0.1	0.3	0.7
Income taxes paid	-0.3	-0.6	-0.1
Cash flow from business operations after financial items and taxes	-5.6	3.5	34.0
CASH FLOW FROM INVESTMENTS			
Investment in tangible assets	-1.3	-2.8	-9.7
Investment in intangible assets	-0.1	-0.2	-1.0
Income from intangible and tangible assets	-	-	0.0
Proceeds from equity investments	-	0.4	0.4
Acquired businesses	-	-	-7.0
Cash flow from investments	-1.4	-2.7	-17.3
Cash flow after investments	-7.0	0.8	16.7
CASH FLOW FROM FINANCIAL OPERATIONS			
Other financial items, net	0.0	1.2	1.4
Payments associated with the reduction of lease liability	-0.7	-0.2	-1.5
Repayment of non-current loans	-	-	-0.1
Dividends and other profit distribution paid to shareholders of the parent company	-	-	-20.5
Net cash flow from financial operations	-0.7	1.0	-20.7
CHANGE IN LIQUID FUNDS	-7.7	1.9	-4.0
Liquid funds at the beginning of the period	89.0	93.2	93.2
Impact of changes in exchange rates	0.0	0.2	0.2
Impact of discontinued business operations	0.4	-0.3	0.5
Impact of changes in market value of the liquid funds	-1.2	-1.1	-0.9
Liquid funds at the end of the period	80.5	93.9	89.0

NOTES TO THE INTERIM REPORT**Raisio Group**

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

Accounting principles and presentation of figures

Raisio plc's Interim Financial Report for January–March 2022 has been prepared in accordance with IAS 34, Interim Financial Reporting regulations. In the preparation of the Interim Financial Report, Raisio plc has followed the same accounting principles as in the 2021 Financial Statements with the exception of the standard amendments and interpretations concerning Raisio plc that came into effect in 2022.

The standard amendments and interpretations that entered into effect on 1 January 2022 have had no material impact on EBIT of the interim report, financial position or the presentation of the interim report.

The Interim Report is shown in EUR millions for continuing operations unless otherwise stated.

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 2021 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 Ukraine war. 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 receivables and inventories, and to the classification of lease periods and assets being held for sale or to be discontinued.

Raisio Group suspended the export of foods and fish feeds to Russia at the start of March, when Russia invaded Ukraine.

Raisio Group has decided to terminate its consumer business in Russia. The activities of our Russian subsidiary responsible for Russian consumer business within the Healthy Food Segment in Eastern and Central Europe are classified in the reporting for the first quarter of 2022 as assets available for sale and reported as discontinued operations. Raisio Group will recognise an estimated impairment loss of EUR 2.9 million from the terminated consumer business in Russia in its EBIT for the first quarter. Raisio Group will also recognise an impairment loss of EUR 4.1 million in tangible fixed assets from the fish feed business in its EBIT for the first quarter of the year.

Ukraine war

Raisio's operational environment changed drastically when Russia invaded Ukraine. Russia's war of aggression in Ukraine has impacted the Group's activities in Finland, Ukraine and Russia. Of the total net sales for the first quarter of the review period, EUR 3.5 (4.2) million was derived from the Russian and Ukrainian markets.

M€	1–3/2022	1–3/2021	1–12/2021
Net sales*	3.5	4.2	36.7

*Includes continuing and discontinued operations

The impact of the war and the suspension of food and fish feed exports to Russia on the net sales of the first quarter amounted to EUR 0.9 million for continuing operations.

The impacts of the war and related sanctions on the economy are manifold and, at this phase, it is impossible to predict all future impacts.

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.

Events following the financial period

On 26 April 2022, Raisio announced that the change negotiations at Raisioaqua Ltd had been concluded. The motivations for the negotiations were production-related and financial as all exports to Russia had been stopped. Raisioaqua is a Finnish fish feed producer and feeding expert.

On 7 March 2022, Raisio issued its proposal for negotiations in accordance with the Act on Co-operation within Undertakings (334/2007). At that point, the assumption was that the negotiations might lead to furloughs of more than 90 days and would concern the entire personnel of around 30 employees.

The end result of the negotiations was the furlough of 27 employees. The duration and timing of the furloughs varies depending on each employee's role and they will last from 1–11 months. The varying timing and duration of furloughs ensures the production and supply of fish feed during the fish farming season.

On 29 April 2022, Raisio Group made an announcement concerning its Russian consumer business. Raisio has signed agreements for the sale of the subsidiary OOO Raisio Nutrition, which has handled the Group's consumer business in Russia, to the Russian company Copacker Agro Ltd. Raisio's Russian subsidiary has used the Nordic brand name in the Russian and Belarus markets, and in these markets, the rights to the brand name will be sold to the Estonian company Nordgate Trading OÜ. Operations held for sale were reported earlier in the Eastern and Central European operations for the Healthy Food Segment. The deal is expected to be finalised by the end of May 2022. The final completion of the transaction depends on the duration of the official proceedings.

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€)

	1–3/2022	1–3/2021	1–12/2021
Healthy Food			
Western Europe	16.0	15.5	63.1
Northern Europe	16.9	13.9	59.8
Eastern and Central and Europe	2.7	2.6	11.4
Total Healthy Food	35.6	32.0	134.3
Healthy Ingredients	29.0	22.3	132.9
Other operations	0.5	0.4	1.5
Interdivisional net sales	-10.0	-7.1	-31.4
Total net sales	55.1	47.5	237.3

EBIT by segment (M€)

	1–3/2022	1–3/2021	1–12/2021
Healthy Food	2.7	4.5	18.1
Healthy Ingredients	-5.5	3.5	8.1
Other operations	-1.3	-0.8	-3.6
Interdivisional	0.0	0.0	0.0
Total EBIT	-4.0	7.1	22.7

EBIT for the Healthy Ingredients Segment in this review period includes a EUR 4.1 million impairment loss from tangible fixed assets and the EBIT of the comparison period includes EUR 2.8 million in other operating income for the sale of the receivable.

Net assets by segment (M€)

	1–3/2022	1–3/2021	1–12/2021
Healthy Food	88.2	87.1	89.5
Healthy Ingredients	123.9	98.9	120.1
Other operations and unallocated items	61.8	93.8	71.1
Total net assets	273.9	279.8	280.7

Investment by segment (M€)

	1–3/2022	1–3/2021	1–12/2021
Healthy Food	0.1	0.1	1.0
Healthy Ingredients	1.1	6.1	21.9
Other operations	0.5	0.3	1.4
Total investments	1.7	6.5	24.2

SALES REVENUE
Revenue by country (M€)

	1–3/2022	1–3/2021	1–12/2021
Finland	25.7	19.9	97.0
Great Britain	13.5	13.2	53.0
Other	15.9	14.4	87.2
Total net sales	55.1	47.5	237.3

Net sales by group (M€)

	1–3/2022	1–3/2021	1–12/2021
Sales of goods	54.6	47.1	235.6
Sales of services	0.4	0.3	1.1
Royalties	0.1	0.1	0.6
Total net sales	55.1	47.5	237.3

ACQUIRED BUSINESSES, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE
Acquired businesses during the review period

There were no acquired businesses during the period of 1 January–31 March 2022.

Acquired businesses during 2021

There were no acquired businesses during the comparison period of 1 January–31 March 2021.

On 1 April 2021, Raisio Group acquired the entire share capital and control of Verso Food Oy.

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.

Summary of the total purchase price paid:

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

The acquisition cost calculation was 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	3.9
The assets and liabilities arising from the acquisitions are as follows	
Intangible assets	1.8
Other intangible assets	0.5
Tangible assets	6.9
Deferred tax assets	1.2
Inventories	0.6
Accounts receivables and other receivables	1.3
Cash and bank receivables	0.1
Non-current financial liabilities	-0.3
Accounts payables and other liabilities	-1.2
Current liabilities, cash pool	-7.0
Deferred tax liabilities	-0.3
Current financial liabilities	-0.1
Total identifiable net assets	3.4
Goodwill	0.5

The EUR 1.8 million in brand value and EUR 0.5 million in goodwill for the acquisition were based on Raisio Group's strengthened position within the plant protein market.

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.

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 M€:

	1.4.–31.12.2021	1.1.–31.12.2021 proforma
Net sales	5.7	7.8
Operating profit (EBIT)	-1.9	-2.7

The net sales for the acquired businesses included in the income statement for the financial period of 1 April–31 December 2021 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 for 2021 was EUR -1.6 million.

On 29 April 2022, Raisio Group made an announcement concerning its Russian consumer business. Raisio has signed agreements for the sale of the subsidiary OOO Raisio Nutrition, which has handled the Group's consumer business in Russia, to the Russian company Copacker Agro Ltd. Raisio's Russian subsidiary has used the Nordic brand name in the Russian and Belarus markets, and in these markets, the rights to the brand name will be sold to the Estonian company Nordgate Trading OÜ. Operations held for sale were reported earlier in the Eastern and Central European operations for the Healthy Food Segment. The deal is expected to be finalised by the end of May 2022. The final completion of the transaction depends on the duration of the official proceedings.

Raisio Group has applied the requirements of standard IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations to the classification, presentation and disclosures related to the sale. Raisio Group has classified its Russian consumer business as assets held for sale and reported them as discontinued operations in the first quarter review for 2022.

In the Group's income statement, discontinued operations and continuing operations are presented separately and the comparison periods have been adjusted accordingly. The balance sheet has not been adjusted for earlier periods. Debts and provisions related to assets being held for sale are presented as a separate item in their own row of the balance sheet.

Income statement for discontinued operations, M€

	1–3/2022	1–3/2021	1–12/2021
Net sales	2.1	2.4	9.1
Cost of sales	-1.7	-1.7	-6.8
Gross profit	0.4	0.7	2.3
Other operating income and expenses, net	-3.1	-0.4	-1.2
EBIT	-2.7	0.3	1.1
Financial income	0.0	0.0	0.0
Result before taxes	-2.7	0.4	1.2
Income taxes	0.0	-0.1	-0.2
Result for the period	-2.7	0.3	0.9

EBIT for discontinued operations during the review period includes an estimated impairment loss of EUR 2.9 million. The cumulative RUB/EUR translation difference related to Russia's consumer business totals EUR 2.3 million at the end of the first quarter.

Assets and liabilities related to assets held for sale, M€

	31.3.2022
Intangible assets	0.0
Tangible assets	0.0
Deferred tax assets	0.0
Inventories	0.2
Accounts receivables and other receivables	1.5
Cash and bank receivables	1.9
Total assets included in the group classified as held for sale	3.6
Accounts payables and other liabilities	0.8
Deferred tax liabilities	0.0
Total debts included in the group classified as held for sale	0.8
Provisions included in the group classified as held for sale	2.9
Total debts and provisions included in the group classified as held for sale	3.6
Total net assets included in the group classified as held for sale	0.0

Provisions of discontinued operations, M€

	31.3.2022
At the beginning of the period	-
Increase in provisions	2.9
At the end of the period	2.9

Earnings per share discontinued operations, €

	1–3/2022	1–3/2021	1–12/2021
Earnings per share, €	-0.02	0.00	0.01

Discontinued operations or operations held for sale during 2021

There were no discontinued operations or operations held for sale during the financial period of 1 January–31 March 2021 or during the year 2021.

TANGIBLE RIGHT-OF-USE ASSETS (M€)

	31.3.2022	31.3.2021	31.12.2021
Acquisition cost at the beginning of the period	354.5	317.9	317.9
Translation differences	-0.1	0.1	0.1
Additions, includes additions made in accordance with the IFRS 16 standard	1.6	6.3	23.2
Additions, acquired businesses	-	-	13.9
Decrease	0.0	0.0	-0.6
Assets held for sale	0.0	-	-
Acquisition cost at the end of the period	356.0	324.3	354.5
Accumulated depreciation and impairment at the beginning of the period	252.4	244.8	244.8
Translation differences	-0.1	0.1	0.1
Accumulated depreciation, acquired businesses	-	-	0.9
Decrease and transfers	0.0	0.0	-0.5
Depreciations and impairment for the period	6.4	1.3	7.1
Assets held for sale	0.0	-	-
Accumulated depreciation and impairment at the end of the period	258.7	246.2	252.4
Book value at the end of the period	97.3	78.2	102.1

LEASED RIGHT-OF-USE ASSETS (M€)

	31.3.2022	31.3.2021	31.12.2021
Acquisition cost at the beginning of the period	31.4	11.7	11.7
Translation differences	0.0	0.0	0.0
Increase	0.6	3.3	14.0
Increase in lease liabilities, acquired business	-	-	6.3
Divestment and other decreases	0.0	-	-0.6
Acquisition cost at the end of the period	31.9	14.9	31.4
Accumulated depreciation and impairment at the beginning of the period	-2.6	-1.5	-1.5
Translation differences	0.0	0.0	0.0
Accumulated depreciation of decrease and transfers	0.0	-	0.5
Depreciation for the financial period	-0.7	-0.2	-1.6
Accumulated depreciation and impairment at the end of the period	-3.4	-1.7	-2.6
Book value at the beginning of the period	28.7	10.2	10.2
Book value at the end of the period	28.5	13.2	28.7

The increases to the right-of-use assets for the period 1 January–31 March 2021 included EUR 3.1 million in acquisitions for process equipment related to the new production facility built in Raisio's industrial area. The increases to the right-of-use assets for the entire financial year of 2021 included EUR 12.1 million in acquisitions for process equipment related to the new production facility built in Raisio's industrial area.

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

	31.3.2022	31.3.2021	31.12.2021
Rental income	0.2	0.2	0.7
Depreciations for right-of-use assets	-0.7	-0.2	-1.6
Costs of short-term and low-value leases	0.0	0.0	0.0
Interest expenses related to leases	-0.1	0.0	-0.2
Total	-0.7	0.0	-1.1
Outgoing cash flow resulting from leases	0.7	0.2	1.5

LEASE LIABILITIES (M€)

	31.3.2022	31.3.2021	31.12.2021
Non-current lease liabilities	28.8	10.2	10.2
Translation difference	0.0	0.0	0.0
Increase in lease liabilities, acquired businesses	-	-	6.3
Increase in lease liabilities	0.6	3.3	13.8
Payments related to decrease of lease liabilities	-0.7	-0.2	-1.5
Total	28.6	13.3	28.8
Non-current lease liabilities at the beginning of period	25.6	9.5	9.5
Non-current lease liabilities at the end of period	25.3	12.7	25.6
Current lease liabilities at the beginning of period	0.6	0.6	0.6
Current lease liabilities at the end of period	3.4	0.6	3.2

The increases to the lease liabilities for the comparison period of 1 January–31 March 2021 include EUR 3.1 million and for 1 January–31 December 2021 EUR 12.2 million in right-of-use asset acquisitions for process equipment related to the new production facility built in Raisio's industrial area. Raisio Group recognises a liability of EUR 21.5 million in its balance sheet for 2021 in relation to its new production facility. The Group is exposed to an annual outgoing cash flow of approximately EUR 2.0 million in connection with the new production facility.

RELATED PARTY TRANSACTIONS (M€)

	31.3.2022	31.3.2021	31.12.2021
Sales to key employees in management	0.4	0.2	3.6
Purchases from key employees in management	1.2	0.3	13.4
Receivables from the key persons in the management	0.1	0.1	0.1
Payables to key management personnel	-	0.0	0.1

CONTINGENT LIABILITIES (M€)

	31.3.2022	31.3.2021	31.12.2021
Contingent off-balance sheet liabilities			
Other liabilities	6.3	2.3	4.6
Guarantee liabilities on the Group companies' commitments	1.3	6.1	1.5
Commitment to investment payments	2.3	0.5	2.4
Commitment to right-of-use assets	-	9.4	-

DERIVATIVE CONTRACTS (M€)

	31.3.2022	31.3.2021	31.12.2021
Nominal values of derivative contracts			
Currency forward contracts	34.8	39.2	33.1
Currency option	11.8	25.5	11.5
Interest rate swap	15.0	-	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.

	Carrying amount 31.3.2022	Fair value 31.3.2022	Carrying amount 31.12.2021	Fair value 31.12.2021
Financial assets				
Equity investments*)	3.4	3.4	2.8	2.8
Accounts receivables and other receivables	32.3	32.3	32.1	32.1
Investments recorded at fair value through profit or loss*)	60.7	60.7	67.9	67.9
Liquid funds	20.0	20.0	21.1	21.1
Derivatives*)	0.4	0.4	0.0	0.0
Financial liabilities				
Other loans	0.3	0.3	0.3	0.3
Lease liabilities	28.6	28.6	28.8	28.8
Accounts payable and other liabilities	25.7	25.7	26.7	26.7
Derivatives*)	0.1	0.1	0.2	0.2

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 (M€)

	1–3/2022	1–3/2021	1–12/2021
Capital gains and losses of fixed assets	-	-	-0.1
Costs of share rewards	0.2	0.3	0.8
Provisions	2.9	-	-
Other	-0.1	0.0	0.0
Total adjustments in cash flow statement	3.0	0.2	0.8

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€)

	1–3/2022	1–3/2021	1–12/2021
Acquisitions of fixed assets in total	-1.7	-6.5	-24.2
Payments for investments of earlier financial periods (change in liabilities)	0.3	3.5	13.5
Acquired businesses	-	-	-7.0
Investments funded by lease commitments or other interest-bearing debt	-0.7	-0.2	-1.5
Fixed asset acquisitions funded by cash payments	-2.1	-3.2	-19.2
Capital gain and loss on fixed assets in the income statement	-	0.4	0.4
Balance sheet value of disposed asset	-	0.0	0.0
Consideration received from fixed asset divestments in the cash flow statement	0.0	0.4	0.4

Reconciliation of liabilities related to financing activities (M€)

	31.12.2021	Cash flows	IFRS 16	Non cash flow influenced changes Changes in exchange rates	31.3.2022
Non-current liabilities	0.3	-	-	-	0.3
Lease liability	28.8	-0.7	0.6	0.0	28.6
Total liabilities for financing activities	29.1	-0.7	0.6	0.0	28.9

RECONCILIATIONS OF ALTERNATIVE KEY FIGURES

Items affecting comparable EBIT, Raisio Group

		1–3/2022	1–3/2021	1–12/2021
Comparable EBIT		0.1	4.3	21.0
- Expenses related to the acquired business		-	-	-0.6
- Expenses related to the reorganisation	M€	-	-	-0.5
- Impairment, tangible assets	M€	-4.1	-	-
+ Income from the sale of the receivable	M€	-	2.8	2.8
Items affecting comparability, in total	M€	-4.1	2.8	1.7
EBIT	M€	-4.0	7.1	22.7

Items affecting comparable EBITDA, Raisio Group

		1–3/2022	1–3/2021	1–12/2021
Comparable EBITDA		2.8	5.9	29.4
+/- Items affecting EBIT	M€	-4.1	-	1.7
Items affecting comparability, in total	M€	-4.1	-	1.7
EBITDA	M€	2.8	8.7	31.1
+/- Impairments	M€	-4.1	-	0.0
+/- Depreciations	M€	-2.7	-1.5	-8.4
EBIT	M€	-4.0	7.1	22.7

Items affecting comparable EBIT, Healthy Food segment

		1–3/2022	1–3/2021	1–12/2021
Comparable EBIT	M€	2.7	4.5	18.4
- Expenses related to the acquired business	M€	-	-	-0.2
Items affecting comparability, in total	M€	-	-	-0.2
EBIT	M€	2.7	4.5	18.1

Items affecting comparable EBIT, Healthy Ingredients segment

		1–3/2022	1–3/2021	1–12/2021
Comparable EBIT	M€	-1.3	0.7	6.1
- Expenses related to the acquired business	M€	-	-	-0.8
- impairment, tangible assets	M€	-4.1	-	-
+/- Income from the sale of the receivable	M€	-	2.8	2.8
Items affecting comparability, in total	M€	-4.1	2.8	2.0
EBIT	M€	-5.5	3.5	8.1

QUARTERLY EARNINGS (M€)

	1–3/2022	10–12/2021	7–9/2021	4–6/2021	1–3/2021
Net sales by segment					
Healthy Food	35.6	35.2	34.0	33.1	32.0
Healthy Ingredients	29.0	30.4	41.3	38.9	22.3
Other operations	0.5	0.4	0.3	0.3	0.4
Interdivisional net sales	-10.0	-8.6	-8.4	-7.3	-7.1
Total net sales	55.1	57.5	67.2	65.0	47.5
EBIT by segment					
Healthy Food	2.7	4.5	5.3	3.9	4.5
Healthy Ingredients	-5.5	0.0	2.9	1.7	3.5
Other operations	-1.3	-1.4	-0.3	-1.1	-0.8
Total EBIT	-4.0	3.2	7.9	4.5	7.1
Financial income and expenses, net	-1.2	0.1	0.0	0.5	0.3
Result before taxes	-5.3	3.2	7.9	5.0	7.4
Income taxes	0.9	0.6	-1.6	-1.1	-1.6
Result for the period	-4.4	3.8	6.3	4.0	5.9

	10–12/2020	7–9/2020	4–6/2020	1–3/2020
Net sales by segment				
Healthy Food	31.7	30.6	29.3	34.4
Healthy Ingredients	26.4	39.2	34.3	25.6
Other operations	0.5	0.3	0.3	0.4
Interdivisional net sales	-6.9	-7.0	-6.4	-8.6
Total net sales	51.7	63.1	57.6	51.8
EBIT by segment				
Healthy Food	4.0	4.7	3.4	4.6
Healthy Ingredients	1.8	4.8	3.8	2.2
Other operations	-0.5	-0.1	-0.8	-0.9
Total EBIT	5.3	9.4	6.4	5.8
Financial income and expenses, net	1.1	0.8	2.5	-4.0
Result before taxes	6.4	10.1	8.9	1.8
Income taxes	-1.1	-2.1	-2.0	-0.4
Result for the period	5.4	8.0	7.0	1.4

KEY FIGURES

	31.3.2022	31.3.2021	31.12.2021
Net sales, M€	55.1	47.5	237.3
Change of net sales, %	15.9	-8.2	5.9
Operating margin, M€	2.8	8.7	31.1
Comparable operating margin, M€	2.8	5.9	29.4
Depreciation and impairment, M€	6.9	1.5	8.4
EBIT, M€	-4.0	7.1	22.7
% of net sales	-7.3	15.0	9.5
Comparable EBIT, M€	0.1	4.3	21.0
% of net sales	0.2	9.1	8.8
Result before taxes, M€	-5.3	7.4	23.6
% of net sales	-9.7	15.6	9.9
Return on equity, %	-6.4	8.5	7.2
Return on investment ROIC, %	-7.4	11.0	8.5
Comparable return on investment ROIC, %	-1.9	6.8	8.0
Interest-bearing financial liabilities at end of period, M€	28.9	13.3	29.1
Net interest-bearing financial liabilities at end of period, M€	-51.6	-80.6	-60.0
Working capital	43.6	38.5	34.4
Equity ratio, %	78.4	84.9	79.3
Net gearing, %	-18.8	-28.8	-21.4
Gross investments, M€	1.7	6.5	24.2
% of net sales	3.1	13.8	10.2
R&D expenses, M€	0.9	1.0	3.7
% of net sales	1.5	2.1	1.6
Average personnel	387	350	381
Earnings/share, €	-0.03	0.04	0.13
Comparable earnings/share, €	-0.01	0.02	0.12
Cash flow from operations, M€	-5.6	3.5	34.0
Cash flow from operations/share, €	-0.04	0.02	0.22
Equity/share, €	1.73	1.78	1.77
Average number of shares during the period, in 1,000s			
Free shares	127 744	126 215	127 268
Restricted shares	30 712	31 231	30 933
Total *	158 456	157 446	158 201
Average number of shares at end of period, in 1,000s			
Free shares	129 232	126 393	127 708
Restricted shares	30 704	31 053	30 788
Total *	159 936	157 446	158 496
Market capitalisation of shares at end of period, M€			
Free shares	341.1	495.5	430.4
Restricted shares	91.8	120.8	104.9
Total *	432.9	616.3	535.2 *
Share price at end of period			
Free shares	2.67	3.92	3.37
Restricted shares	2.99	3.89	3.41

*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.
-----------------------	---

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

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

Equity ratio, %	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{advances received}} \times 100$
The equity ratio is a key figure in the financial structure, which shows the share of equity of the capital tied up in the operations. The figure represents the Group's financial structure.	
Net working capital	$\text{Sales receivables and other receivables} + \text{inventories} - \text{accounts payable} - \text{other liabilities}$
Net working capital measures the amount of the financing tied up in the company's current activities and thus, also the efficiency of the use of capital.	
Net interest-bearing financial liabilities	$\text{Interest-bearing financial liabilities} - \text{liquid funds and liquid financial assets at fair value through profit or loss}$
Net interest-bearing financial liabilities measures the Group's net financial debt.	
Net gearing, %	$\frac{\text{Net interest-bearing financial liabilities}}{\text{Shareholders' equity}} \times 100$
Net gearing % shows what is the ratio of equity invested by owners to the interest-bearing liabilities of the financiers. High net gearing % is a risk factor that may restrict the company's growth opportunities and lower its financial leverage.	
Comparable earnings per share	$\frac{\text{Profit for the period attributable to the parent company shareholders} \pm \text{items affecting comparability}}{\text{Average number of shares during the period adjusted for issues}}$
Earnings per share represents the company's earnings per one share without items affecting comparability.	
Cash flow from business operations per share	$\frac{\text{Cash flow from business operations}}{\text{Average number of shares for the year, adjusted for share issue}}$
The figure represents the cash flow from business operations per one share.	
Shareholders' equity per share	$\frac{\text{Equity of parent company shareholders}}{\text{Number of shares at end of period adjusted for share issue}}$
Equity per share represents the company's equity per one share.	
Investments	Acquisition of non-current tangible and intangible assets on a gross basis.
Investments represents the total amount of investments.	
Market capitalisation	$\text{Closing price, adjusted for issue} \times \text{number of shares without company shares at the end of the period}$
The figure represents the value of the Group's share capital on the stock market.	



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