



Half-Year Financial Report January–June 2022

Raisio plc



Raisio Plc's Half-Year Financial Report, 3 August 2022, at 8.30 a.m. Finnish time

STRONG GROWTH AND IMPROVING PROFITABILITY DURING THE SECOND QUARTER

FINANCIAL DEVELOPMENT IN BRIEF

April–June 2022, continuing operations

- The Group's net sales totalled EUR 55.5 (49.9) million, which signified a growth of 11.2%.
- Comparable EBIT was EUR 4.4* (4.1) million, accounting for 7.9 (8.3)% of net sales. Comparable EBIT increased by 6.6% in relation to the comparison period.
- EBIT was EUR 4.4 (3.4**) million, which accounted for 7.9 (6.9)% of net sales.
- The Healthy Food Segment's net sales totalled EUR 35.1 (33.1) million. Comparable EBIT was EUR 4.1 (4.0) million, accounting for 11.7 (12.1)% of net sales. EBIT was EUR 4.1 (3.9) million, which accounted for 11.7 (11.7)% of net sales.
- The Healthy Ingredients Segment's net sales totalled EUR 29.4 (24.0) million. Comparable EBIT was EUR 1.4 (1.2) million, accounting for 4.6 (5.0)% of net sales. EBIT was EUR 1.4 (0.6) million, which accounted for 4.6 (2.6)% of net sales.
- The Group's cash flow from continuing operations after financial items and taxes totalled EUR -0.2 (9.8) million.
- The overall effect of currency conversions was EUR 0.3 (0.1) million on net sales, EUR 0.0 (0.1) million on comparable EBIT and EUR 0.0 (0.1) million on EBIT.

* The comparable EBIT includes a return of EUR 1.1 million in pension fund surplus from previous years.

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

January–June 2022, continuing operations

- The Group's net sales totalled EUR 108.7 (95.5) million, which signified a growth of 13.9%.
- Comparable EBIT was EUR 5.9* (9.6) million, accounting for 5.4 (10.0)% of net sales. Comparable EBIT decreased by 38.9% in relation to the comparison period.
- EBIT was EUR 5.9 (8.9**) million, which accounted for 5.4 (9.3)% of net sales.
- The Healthy Food Segment's net sales totalled EUR 70.7 (65.1) million. Comparable EBIT was EUR 6.8 (8.5) million, accounting for 9.6 (13.1)% of net sales. EBIT was EUR 6.8 (8.4) million, which accounted for 9.6 (12.9)% of net sales.
- The Healthy Ingredients Segment's net sales totalled EUR 57.0 (44.7) million. Comparable EBIT was EUR 1.4 (3.0) million, accounting for 2.4 (6.7)% of net sales. EBIT was EUR 1.4 (2.4) million, which accounted for 2.4 (5.4)% of net sales.
- The Group's cash flow from continuing operations after financial items and taxes totalled EUR -1.4 (12.6) million.
- The comparable return on investments (ROIC) was 2.5 (7.6)% and the return on investments (ROIC) was 2.5 (7.0)%.
- The overall effect of currency conversions was EUR 0.9 (-0.9) million on net sales, EUR 0.1 (0.0) million on the comparable EBIT and EUR 0.1 (0.0) million on EBIT.

* The comparable EBIT includes a return of EUR 1.1 million in pension fund surplus from previous years.

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

OUTLOOK 2022

In its meeting on 15 June 2022, The Board of Raisio plc decided to issue new financial guidelines for 2022 once the outlook for the end of the year had been clarified.

New guidance for 2022:

Raisio anticipates that the net sales for its continuing operations in 2022 will be between EUR 220–230 million with a comparable EBIT of around EUR 17–20 million. The fluctuation margin reflects uncertainty regarding future demand and the price development of raw materials.

KEY FIGURES OF THE GROUP

		4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
Net sales	M€	55.5	49.9	108.7	95.5	200.0
Change in net sales	%	11.2	10.1	13.9	2.3	7.7
Comparable EBITDA	M€	6.9	5.8	10.9	12.6	28.8
EBITDA	M€	6.9	5.1	10.9	11.9	27.8
Comparable EBIT	M€	4.4	4.1	5.9	9.6	21.3
Comparable EBIT of net sales	%	7.9	8.3	5.4	10.0	10.6
EBIT	M€	4.4	3.4	5.9	8.9	20.2
EBIT of net sales	%	7.9	6.9	5.4	9.3	10.1
Comparable earnings per share	€	0.02	0.02	0.02	0.05	0.12
Earnings per share	€	0.02	0.02	0.02	0.05	0.11

CURRENCY CONVERSIONS IMPACTS ON NET SALES AND EBIT

		4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
Net sales	M€	0.3	0.1	0.9	-0.9	0.9
Comparable EBIT	M€	0.0	0.1	0.1	0.0	0.3
EBIT	M€	0.0	0.1	0.1	0.0	0.3

CEO PEKKA KUUSNIEMI:

This half-year period has tested Raisio's ability to react to unexpected situations. I am extremely satisfied with our capacity to operate within a completely exceptional market situation. The necessary decisions regarding the company structure in response to Russia's war of aggression were made with prompt but careful consideration. The unprecedented rise in the price of key raw materials tried our profitability throughout the period, but price increases restored profitability towards the end of the period to a more acceptable level.

During the second quarter, we completed the sale of our consumer business in Russia and decided to transfer Raisioaqua to discontinued operations and start seeking out a new owner for the business. The fish feed business has sparked interest and we believe that the business will be sold during the current financial year.

Once this occurs, Raisio can again focus specifically on its role as a manufacturer and global marketer of healthy foods and ingredients.

The net sales for the first half-year increased by 13.9% for a total of EUR 108.7 (95.5) million with a comparable EBIT of EUR 5.9 (9.6) million. During the second quarter, we managed to compensate for increased raw material, packaging and transport costs by raising our prices, thus giving us notably better profitability than the first quarter. Net sales for Q2 increased by 11.2% for a total of EUR 55.5 million and the comparable EBIT improved in relation to the comparison period for a total of EUR 4.4 (4.1) million and accounted for 7.9 (8.3)% of the net sales. It should be noted, in particular, that the most drastic price increases did not enter into effect until the beginning of June.

The considerable growth in net sales for continuing operations was affected by the increased sales prices but also by the success of new products within the markets. The growth of the Elovena® brand was gratifying, at more than 31 per cent over the comparison period. The enormous increase in the price of raw materials had a tangible impact on cash flow for a result of EUR -1.4 (12.6) million. Assuring the supply of raw materials was high on our priority list throughout the review period, since sufficiency within the exceptional situation has been uncertain. Our strong balance sheet enabled us to support the work of farmers experiencing financial difficulties by offering them short terms of payment and payments in advance for their next harvest. The war continues to place a strain on the global food system and it is vital for Raisio to safeguard its own operational ability within this turbulence. The grain harvest of the current period always carries uncertainties, but the outlook for the crops at this moment appears to be better than the situation experienced in 2021.

The changes initiated in the company's structure will not alter our strategy to increase the healthy, plant-based foods produced by our company. In my opinion, the big picture still appears to show a demand for these products both in the Finnish and European markets. It is understandable that consumption habits will fluctuate as a result of the pandemic and war in Europe and the trends may not necessarily continue in a straightforward manner. Raisio's strategic position is extremely interesting and we continue to resolutely implement our plan.

As one can see from the half-year figures, we were able to respond well to the unexpected turns of the spring season and for this, I extend my sincere gratitude to our entire personnel.

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 three fourths of the total net sales of Raisio Group. During the review period, Raisio Group had net sales of EUR 108.7 (95.5) million and the combined net sales for the three areas of focus amounted to EUR 84.9 (78.0) million.

Net sales for strategic areas of focus:

		1–6/2022	1–6/2021	1–12/2021
Net sales	M€	84.9	78.0	159.9
Benecol® and plant stanol ester solutions	M€	56.8	55.9	114.3
Value-added oat products and ingredients	M€	24.6	19.9	39.6
Plant-based products	M€	3.5	2.2	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 sale of the consumer operations in Russia and exit of all export activities to Russia will not, moving forward, change our strategy or the progress in our chosen areas of focus as planned.

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 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.

The operations of Raisioaqua Ltd, which handled the fish feed operations within the Healthy Ingredients Segment, was classified in the reporting for the second 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

During the first half of 2022, the Ukraine war has directly and indirectly affected Raisio in a number of ways. Russia's attack on Ukraine on 24 February 2022 prompted Raisio to announce, on 3 March 2022, that it would be suspending all export activities to Russia and, on 29 April 2022, that it had decided to sell its consumer business in Russia. Raisio announced the realisation of the sale of its consumer business in Russia on 13 May 2022.

Raisio did 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 saw strong fluctuation during the first half of the year. In addition to unprecedented cost impacts, this also had an effect on the availability of grain raw materials, and these challenges are ongoing to some extent. In practice, Raisio acquires all the grain raw materials it needs from within Finland, but the geopolitical instability has impacts on the price development of raw materials due to the ongoing availability issues.

The suspension of export activities to Russia caused 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. As for the other markets, Raisioaqua's business is proceeding normally and active measures to replace the net sales and achieve cost savings have been initiated. The fish feed business is not part of Raisio's core activities, which focus on healthy food and ingredients, nor is it one of the company's strategic areas of focus.

On 31 May 2022, Raisio Group began preparations to sell Raisioaqua Ltd. Raisio's aim is to complete the arrangements concerning Raisioaqua during the financial year of 2022. During the review period, Raisio reported that the fish feed business of Raisioaqua Ltd was being held for sale as discontinued operations. In the first quarter of the review period, Raisio reported a EUR 4.1 million impairment loss in tangible fixed assets from the fish feed business.

Raisio signed the agreements for the sale of the Russian consumer business on 29 April 2022. According to the agreement, the subsidiary OOO Raisio Nutrition, which has handled the Group's consumer business in Russia, was sold to the Russian company Copacker Agro Ltd. Russian authorities registered the deal on 12 May 2022, when the activities of Raisio's subsidiary, OOO Raisio Nutrition, transferred officially to Copacker Agro Ltd. At the same time, the rights to the Nordic brand name used by Raisio's Russian subsidiary within, among others, the Russian and Belarus markets, were sold to the Estonian company Nordgate Trading OÜ.

The total purchase price was EUR 1.5 million. The sale of the Russian consumer business generated a capital loss of EUR 3.5 million for Raisio. As a result, Raisio recognised an estimated impairment loss of EUR 2.9 million in its EBIT for the first quarter of 2022 and classified the activities included in the deal as assets available for sale and reported them as discontinued operations.

The combined loss from the divestment of the consumer business in Russia and the impairment loss in tangible fixed assets from the fish feed business totalled EUR 7.7 million during the review period.

FINANCIAL DEVELOPMENT

April-June, continuing operations

Raisio Group's net sales totalled EUR 55.5 (49.9) 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. During the review period, new Elovena® brand products, namely value-added oat- and plant-based products, brought significant growth in terms of net sales. Net sales for business in Western, Eastern and Central Europe remained at the same level as that of 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 number of value-added products.

Raisio Group's comparable EBIT was EUR 4.4 (4.1) million, which accounted for 7.9 (8.3) per cent of net sales. EBIT was EUR 4.4 (3.4) million, which accounted for 7.9 (6.9)% of net sales. During the review period, the heavy cost pressures of prices carried through the entire supply chain. The impacts of the Ukraine war have reflected strongly on the global grain market. During the review period, the price of grain raw materials that are essential for Raisio remained high, thereby placing significant pressure on profitability, particularly at the start of the review period. Price increases were implemented within this market during the second quarter as a means of

compensating for these price pressures. Finland's grain market has also been affected by the scarcity of supply resulting from the 2021 growing season. An exceptional amount of grain has been imported to Finland during 2021/2022, but the grain raw materials used by Raisio has been entirely sourced domestically with the exception of durum wheat. 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. Comparable EBIT was also burdened by dynamic marketing investments made as planned.

The currency conversion impact on the Healthy Food Segment's net sales was EUR 0.3 (0.1) million. The share of the impact caused by the British pound was EUR 0.2 (0.4) million and by other currencies EUR 0.1 (-0.3) million. The Healthy Ingredients Segment has no conversion impact on the Group's financial statements.

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

The depreciations and impairments totalled EUR 2.5 (1.6) million. The Group's net financial items were EUR -1.2 (0.5) million. The net financial items included a fair value change of EUR -1.2 (0.1) million for financial assets recognised at fair value through profit or loss as a result of the realised decline in the securities market. The Group's pre-tax result was EUR 3.1 (3.9) million. The Group's post-tax result was EUR 3.0 (3.1) million. The Group's earnings per share were EUR 0.02 (0.02) and the comparable figure was EUR 0.02 (0.02).

January-June, continuing operations

Raisio Group's net sales totalled EUR 108.7 (95.5) million. The Group's net sales increased significantly from the comparison period in accordance with our expectations. The Healthy Food Segment's net sales totalled EUR 70.7 (65.1) million and Healthy Ingredients Segment's net sales were EUR 57.0 (44.7) million. Net sales continued their consistently strong growth throughout the review period. On the B2B front, domestic sales and export of grain-based value-added products increased especially well. The development of sales in oat products and gluten-free oat products continued to be strong. The top brands in the focus of Raisio's strategy succeeded brilliantly in the different markets during the first half of the year, with particularly significant growth in the sales of the Elovena brand. Good sales were especially boosted by oat products that bring added value, such as snack biscuits and bars, and plant-based drinks and spoonable products from the new production facility.

Raisio Group's comparable EBIT was EUR 5.9 (9.6) million, which accounted for 5.4 (10.0) per cent of net sales. EBIT was EUR 5.9 (8.9) million, which accounted for 5.4 (9.3)% of net sales. As a result of the geopolitical instability, the prices of grain raw materials that are essential for Raisio saw strong fluctuation during the first half of the year. In addition to unprecedented cost impacts, this will also have also had an effect on the availability of grain raw materials, and these challenges are ongoing to some extent. During the review period, Raisio carried out significant co-operation with other actors as a means of reducing 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. Comparable EBIT was also burdened by growth investment and marketing costs, which we had anticipated.

The currency conversion impact on the Healthy Food Segment's net sales was EUR 0.9 (-0.9) million. The share of the impact caused by the British pound was EUR 0.8 (0.2) million and by other currencies EUR 0.1 (-1.1) million. The Healthy Ingredients Segment has no conversion impact on the Group's financial statements.

The conversion impact on the Healthy Food Segment's comparable EBIT and EBIT was EUR 0.1 (0.0) 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 5.0 (3.0) million. The Group's net financial items were EUR -2.5 (0.8) million. During the review period, the net financial items included a fair value change of EUR -2.4 (-0.9) million for financial assets recognised at fair value through profit or loss as a result of the realised decline in the securities market. The financial items of the comparison period also included EUR 1.4 million from the sales of reserves. The Group's pre-tax result was EUR 3.3 (9.7) million. The Group's post-tax result was EUR 2.9 (7.6) million. The Group's earnings per share were EUR 0.02 (0.05) and the comparable figure was EUR 0.02 (0.05).

BALANCE SHEET, CASH FLOW AND FINANCING

At the end of June, Raisio Group's balance sheet totalled EUR 325.5 (31 December 2021: 354.4) million. Shareholders' equity was EUR 254.8 (31 December 2021: 280.7) million. Equity per share totalled EUR 1.61 (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 -1.4 (12.6) million. During the review period, cash flow was weakened by reduced profits from business in addition to growth of inventories in working capital. The cash flow of the review period includes a return of EUR 1.1 million in pension fund surplus from previous years.

At the end of June, working capital from continuing operations amounted to EUR 41.4 (31 December 2021: 29.9) million.

At the end of March, the Group's interest-bearing debt was EUR 28.3 (31 December 2021: 29.1) million. Net interest-bearing debt was EUR 21.7 (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 50.1 (31 December 2021: 89.0) million. Cash reserves are primarily invested in low-risk, liquid investment objects.

At the end of June, the Group's equity ratio was EUR 78.3 (31 December 2021: 79.3) per cent and net gearing was -8.5 (31 December 2021: -21.4) per cent. The return on investments (ROIC) was 2.5 (31 December 2021: 7.8) per cent and the comparable return on investments (ROIC) was 2.5 (31 December 2021: 8.2) per cent.

Key figures for the balance sheet and financing

		30.6.2022	30.6.2021	31.12.2021
Cash flow from business operations after financial items and taxes, continuing operations	M€	-1.4	12.6	28.4
Equity ratio	%	78.3	80.5	79.3
Net gearing	%	-8.5	-19.6	-21.4
Net interest-bearing debt	M€	-21.7	-52.3	-60.0
Equity per share	€	1.61	1.69	1.77
Investments	M€	2.6	11.5	23.0
Comparable return on investment (ROIC)	%	2.5	7.6	8.2
Return on investment (ROIC)	%	2.5	7.0	7.8

INVESTMENTS

The January–June investments totalled EUR 2.6 (11.5) million, or 2.4 (12.1) 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 towards the end of 2022. The products and solutions resulting from this investment will become visible in the market during 2023.

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 were no longer reliant on natural gas. Additionally, a new investment decision was made for the Nokia mill to increase the production capacity of value-added oat products. The investment will total approximately EUR 0.5 million and is anticipated to be completed at the end of 2022.

PERSONNEL

At the end of June, Raisio Group's continuing operations employed 354 (342) people. The Healthy Food Segment employed 113 (121) people. The Healthy Ingredients Segment employed 196 (173) and Other Operations 45 (48) people. Altogether 14.4 (14.6) 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–June totalled EUR 1.4 (1.7) million, or 1.3 (1.8) per cent of net sales. During the comparison period, the research and development expenses included an acquisition expense of EUR 0.2 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 timetables for research and development projects that had been delayed as a result of the coronavirus pandemic are getting back to their pre-pandemic status.

Elovena Soft Oat Bars, launched during the review period, succeeded well and rose to become the market leader in their own product category in Finland.

During the review period, Raisio initiated co-operation with the Nordic Umami Company for the purpose of clarifying the potential to utilise Raisio's plant-based side streams in the production of natural umami. The co-operation supports Raisio's Good Food Plan, the key goals of which include the reduction of food and production waste and beneficial utilisation of production side streams. Raisio and Nordic Umami Company agreed to collaborate until the end of 2022, but the agreement could also continue beyond 2022.

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 for April–June, continuing operations

The Healthy Food Segment's net sales totalled EUR 35.1 (33.1) million. Net sales in Northern Europe grew significantly, while those for business in Western, Eastern and Central Europe remained at relatively the same level as that of the comparison period. Significant growth in net sales was achieved in the Northern European consumer markets, particularly from the sale of Elovena products. Also, in Western Europe, Benecol yogurt drinks and spreads experienced growth in net sales in relation to the comparison period.

Altogether approximately 46 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 46 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.

The Healthy Food Segment's comparable EBIT amounted to EUR 4.1 (4.0) million, which accounted for 11.7 (12.1) per cent of net sales. EBIT was EUR 4.1 (3.9) million, which accounted for 11.7 (11.7) per cent of net sales. During the second quarter, marketing investments increased significantly in relation to the comparison period, but despite this fact, EBIT remained at the same level as the previous year. During the review period, the strong cost pressures of prices in the Health Food Segment carried through the entire supply chain. During the review period, the price of grain raw materials that are essential for Raisio remained high, thereby placing significant pressure on profitability, particularly at the start of the review period. Exceptional price increases were implemented for consumer products during the second quarter as a means of compensating for the increased cost pressures.

Financial development, January–June

The Healthy Food Segment's net sales totalled EUR 70.7 (65.1) million. Net sales clearly exceeded those of the comparison period, even though the volumes of certain brands decreased in comparison to the level of the strong comparison period. The top brands in the focus of Raisio's strategy succeeded brilliantly in the different markets, however, with particularly significant growth in the sales of the Elovena brand. Good sales were especially boosted by oat products that bring added value, such as snack biscuits and bars, and plant-based drinks and spoonable products from the new production facility.

The Healthy Food Segment's comparable EBIT amounted to EUR 6.8 (8.4) million, which accounted for 9.6 (13.1) per cent of net sales. EBIT was EUR 6.8 (8.4) million, which accounted for 9.6 (12.9) per cent of net sales. As a result of the geopolitical instability, the prices of grain raw materials that are essential for Raisio saw strong fluctuation during the first half of the year. In addition to unprecedented cost impacts, this will also have also had an effect on the availability of grain raw materials, and these challenges are ongoing to some extent. During the review period, Raisio carried out significant co-operation with other actors as a means of reducing price risks and availability issues. Comparable EBIT was also burdened by dynamic marketing investments made as planned.

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

Key figures for the Healthy Food Segment

		4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales	M€	35.1	33.1	70.7	65.1	134.3
Western Europe	M€	16.1	15.6	32.1	31.1	63.1
Northern Europe	M€	16.2	14.6	33.2	28.5	59.8
Eastern and Central Europe	M€	2.7	2.8	5.5	5.4	11.4
Comparable EBIT	M€	4.1	4.0	6.8	8.5	18.4
Comparable EBIT	%	11.7	12.1	9.6	13.1	13.7
EBIT	M€	4.1	3.9	6.8	8.4	18.1
EBIT	%	11.7	11.7	9.6	12.9	13.5
Net assets	M€	86.8	83.7	86.8	83.7	89.5

Business reviews, April-June

Western Europe

Net sales for the Western European operations amounted to EUR 16.1 (15.6) million. EBIT clearly weakened relatively.

Net sales from and the market share of the Benecol business in the UK increased from the comparison period. The number of households that purchased Benecol products also continued to grow. Benecol yogurt drinks and spreads saw the highest growth development. The strong market investments in the Benecol OAT products, launched at the start of the year, continued to put pressure on EBIT.

Consumers in the UK shifted the majority of their shopping to online sources over the past two years. In the UK, already approximately one quarter of Benecol products were being purchased online. In terms of online business, the older age groups were faster than the younger age groups at increasing their share of online purchasing.

Net sales and EBIT in Ireland remained at the strong level of the comparison period. Marketing investments made in the development of the distribution network over the past two years have been successful and Benecol products have acquired new consumers within these markets. In Belgium, net sales increased slightly in relation to the comparison period, with EBIT seeing a significant and absolute increase. The marketing investments in the distribution network in Belgium also generated increased sales during the review period.

Northern Europe

Net sales for the Northern European operations amounted to EUR 16.2 (14.6) million. EBIT experienced a significant and absolute increase from the level of the comparison period. Despite the high comparison figures, Raisio's brands, particularly Elovena, managed to succeed excellently within the markets. The good sales result from the Elovena brand, as seen during the review period, were especially boosted by oat products that bring

added value, such as snack biscuits and bars, and plant-based drinks and spoonable products from the new production facility. The sales volumes of plant proteins did not meet Raisio's expectations during the review period. During the review period, challenges within the plant protein market were particularly the result of the reduction of sales within the overall plant protein product category in Finland, an increase of competition within the product group and the low number of Raisio's own new products. The growth outlooks for the product category within Finland and internationally are positive, however, and Raisio's plant protein development programme will be generating new innovations in the near future.

Sales of Elovena Gluten Free products launched to consumers during the past year achieved strong growth. Elovena's sales growth was intense, at more than 31 per cent over the comparison period. Of the products launched from the new production facility, Elovena Oat Drink Barista brought especially strong growth. Elovena Soft Oat Bars, which were also launched during the review period also saw dynamic growth. In addition to these, the sales of instant porridge, snack biscuits, flakes as well as flour and pasta products also increased their net sales. Sales of Benecol products decreased slightly in Finland during the review period.

Eastern and Central Europe

Net sales for the Eastern and Central European operations totalled EUR 2.7 (2.8) million. Profitability also remained at the level of the comparison period.

Net sales and EBIT in Ukraine remained at the level of the comparison period. Despite the highly challenging situation in Ukraine, the beginning of the review period was positive. At the end of the review period, the decline in consumers' disposable income and, consequently, purchasing power was reflected as a decrease in sales volumes. The decrease in net sales was also naturally affected by the reduction in the population of the country as the war draws out. The number of people fleeing abroad to escape the war was estimated by the UN, at the end of the review period, to be more than 5 million, and approximately 7 million have moved through internal displacement within Ukraine. A full-fledged supply interruption to Eastern Ukraine throughout the entire review period also had a negative impact on sales volumes. Raisio will 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, albeit still negative. 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. During the review period, Raisio gained new customers in distribution through the discounter channel and the aim for the future is to gain a stable foothold within these markets.

On 29 April 2022, Raisio signed an agreement to sell its Russian consumer business. According to the agreement, the subsidiary OOO Raisio Nutrition, which has handled the Group's consumer business in Russia, was sold to the Russian company Copacker Agro Ltd. Russian authorities registered the deal on 12 May 2022, when the activities of Raisio's subsidiary, OOO Raisio Nutrition, transferred officially to Copacker Agro Ltd. At the same time, the rights to the Nordic brand name used by Raisio's Russian subsidiary within, among others, the Russian and Belarus markets, were sold to the Estonian company Nordgate Trading OÜ.

The total purchase price was EUR 1.5 million. The sale of the Russian consumer business generated a capital loss of around EUR 3.5 million for Raisio. As a result, Raisio recognised an estimated impairment loss of EUR 2.9 million in its EBIT for the first quarter of 2022 and classified the activities included in the deal as assets available for sale and reported them as discontinued operations.

HEALTHY INGREDIENTS SEGMENT

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

Financial development for April–June, continuing operations

The level of the Healthy Ingredients Segment's net sales significantly exceeded those of the comparison period, at EUR 29.4 (24.0) 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.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 1.4 (1.2) million, which accounted for 4.6 (5.0) per cent of net sales. The Healthy Ingredients Segment's EBIT was EUR 1.4 (0.6) million, which accounted for 4.6 (2.6) per cent of net sales. During the review period, the strong cost pressures of prices in the Health Ingredients Segment carried through the entire supply chain. The price of grain raw materials that are essential for Raisio remained high, thereby placing significant pressure on profitability, particularly at the start of the review period. Exceptional price increases were implemented for customers, also in the BtoB market, during the second quarter as a means of compensating for the increased cost pressures.

Financial development, January–June

The Healthy Ingredients Segment's net sales totalled EUR 57.0 (44.7) million. During the first half of the year, the domestic and foreign sales of grain products to bakeries and industrial and catering customers grew significantly in relation to the comparison period. The development of the sales of oat products and gluten-free oat products continued to be consistently strong throughout the entire beginning of the year.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 1.4 (3.0) million, which accounted for 2.4 (6.7) per cent of net sales. EBIT was EUR 1.4 (2.4) million, which accounted for 2.4 (5.4) per cent of net sales. As a result of the geopolitical instability, the prices of grain raw materials that are essential for Raisio saw strong fluctuation during the first half of the year. In addition to unprecedented cost impacts, this will also have also had an effect on the availability of grain raw materials, and these challenges are ongoing to some extent. During the review period, Raisio carried out significant co-operation with other actors as a means of reducing 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. Comparable EBIT was also burdened by growth investment costs, which we had anticipated.

Key figures for the Healthy Ingredients Segment

		4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
Net sales	M€	29.4	24.0	57.0	44.7	96.6
Comparable EBIT	M€	1.4	1.2	1.4	3.0	6.3
Comparable EBIT	%	4.6	5.0	2.4	6.7	6.6
EBIT	M€	1.4	0.6	1.4	2.4	5.6
EBIT	%	4.6	2.6	2.4	5.4	5.8
Net assets	M€	118.3	103.5	118.3	103.5	109.1

Business reviews, April-June

BtoB sales of grain- and plant-based products

Raisio's sales of plant-based products 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 export volumes also increased strongly in relation to the comparison period. A significant burden was placed on profitability, particularly in the beginning of the review period, as a result of the exceptionally high price pressures on grain raw material costs for products with a lower degree of processing. Raisio has collaborated actively with other actors as a means of resolving availability issues caused by the scarcity of grain. During the review period, Raisio updated the commercial terms and conditions for its grain trade due to problems brought about by the scarcity of the grain supply.

Raisio continued its determined efforts to raise awareness of its 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

The impacts of the Ukraine war reflected strongly on the global grain market. Despite efforts, no solution has been found to solve the logistical problems concerning grain exports from Ukraine and this is causing a high level of uncertainty and impeding the predictability of the grain markets. Grain prices have been extremely high and the daily fluctuations have been extensive. Finland's grain market has been particularly affected by the scarcity of supply during the 2021 growing season. An exceptional amount of grain was imported to Finland during 2021/2022, but the grain raw materials used by Raisio has been entirely sourced domestically with the exception of durum wheat.

The start of the growing season in 2022 has been more balanced than during last summer, even though the conditions vary from one area to the next. Despite the reasonable harvest outlook, the price level for crops in this new harvest remains extremely high when compared to that at the start of the season in 2021 or the level over a longer historical analysis.

Fish feeds

In March 2022, Raisio plc terminated its export activities to Russia, which meant that the exports of the Group's Raisioaqua Ltd to the country also ended. The export of Raisioaqua's products to Russia represented approximately a 65 per cent share of Raisioaqua's overall sales in 2021, and this share of the net sales has now been lost due to the termination of exports. As for the other markets, Raisioaqua's business is proceeding normally and active measures to replace the net sales and achieve cost savings have been initiated.

The fish feed business is not part of Raisio's core activities, which focus on healthy food and ingredients, nor is it one of the company's strategic areas of focus. On 31 May 2022, Raisio began preparations to sell Raisioaqua Ltd. Raisio's aim is to complete the arrangements concerning Raisioaqua during the financial year of 2022.

During the review period, Raisio reported the fish feed business of Raisioaqua Ltd that was being held for sale as discontinued operations.

CHANGES IN GROUP STRUCTURE

The Russian subsidiary OOO Raisio Nutrition, which was fully owned by Raisio plc's subsidiary, Ravintoraisio Ltd, transferred on 12 May 2022 to the Russian company Copacker Agro Ltd.

SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-June totalled 20.7 (17.8) million. The value of trading was EUR 50.2 (69.7) million and the average price EUR 2.43 (3.91). The closing price on 30 June 2022 was EUR 1.94.

A total of 0.6 (1.2) million restricted shares were traded in January-June. The value of trading was EUR 1.6 (4.8) million and the average price EUR 2.94 (3.90). The closing price on 30 June 2022 was EUR 2.31.

On 30 June 2022, the company had a total of 37,453 (31 December 2021: 35,089) registered shareholders. Nominee registered holdings of the entire share capital was 17.6 (31 December 2021: 18.4) per cent.

Raisio plc's market capitalisation at the end of June totalled EUR 321.6 (31 December 2021: 557.8) million and, excluding the company shares held by the company, EUR 319.2 (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.

In the review period, a total of 9,132 free shares were assigned to the Chairman and members of the Board as part of the compensation for managing their duties, in line with the decision taken by the 2022 AGM.

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 1,231,355 free shares and 0 restricted shares. The number of free shares held by Raisio plc accounts for 0.95 per cent of all free shares and the votes they represent. In all, these shares represent 0.77 per cent of the entire share capital and 0.17 per cent of overall votes. Other Group companies hold no Raisio plc shares.

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

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

The Board of Directors has an authority to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. Furthermore, the Board of Directors has the authority to decide on share issues by disposing of a maximum of 6,400,000 free shares and a maximum of 1,460,000 restricted shares held by the company as well as by issuing a maximum of 10,000,000 new free shares. The authorisations will be valid until the end of the following Annual General Meeting and until 30 April 2023 at the latest. The details on both are available in the Stock Exchange Release published on 12 April 2022.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

Raisio plc's Annual General Meeting (AGM) held on 12 April 2022 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 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.

A Stock Exchange Release concerning the decisions made by the AGM was published on 12 April 2022, in addition to which the decisions were described in the Interim Report for January-March 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 normalising and we no longer feel that it poses any new risks to our business, but rather signals a move 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 REVIEW PERIOD

Raisio had no events to report following the review period.

In Raisio, Finland 3 August 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 Half-Year Financial Report is unaudited.

The Finnish-language webcast concerning the H1 result will take place at 12 noon on 3 August 2022. Raisio's half-year report will be presented by CEO Pekka Kuusniemi. The webcast can be accessed from the link found on Raisio's website. The direct link to the webcast is: <https://raisio.videosync.fi/2022-1-6-osavuositiedot>

Raisio's Interim Report for the third quarter of 2022 will be published on 2 November 2022.

TABLE SECTION

THE GROUP'S INCOME STATEMENT (M€)

	1-6/2022	1-6/2021	1-12/2021	4-6/2022	4-6/2021
Continuing operations					
Net sales	108.7	95.5	200.0	55.5	49.9
Cost of sales	-83.2	-67.8	-143.0	-42.4	-36.1
Gross profit	25.5	27.7	57.0	13.2	13.8
Other operating income and expenses, net	-19.6	-18.8	-36.8	-8.7	-10.4
EBIT	5.9	8.9	20.2	4.4	3.4
Financial income	0.6	2.2	2.8	0.4	0.7
Financial expenses	-3.1	-1.4	-1.9	-1.7	-0.2
Result before taxes	3.3	9.7	21.1	3.2	4.0
Income taxes	-0.4	-2.1	-3.1	-0.2	-0.8
Result for the period, continuing operations	2.9	7.6	18.0	3.0	3.1
Result for the period, discontinued operations	-8.2	2.5	2.9	-1.1	0.9
Result for the period	-5.3	10.2	20.9	1.9	4.0
Attributable to					
Equity holders of the parent company	-5.3	10.2	20.9	1.9	4.0
Earnings per share from the profit attributable to equity holders of the parent company (€)					
Undiluted earnings per share	-0.03	0.06	0.13	0.01	0.03
Diluted earnings per share	-0.03	0.06	0.13	0.01	0.03
Undiluted earnings per share, continuing operations	0.02	0.05	0.11	0.02	0.02
Undiluted earnings per share, discontinued operations	-0.05	0.02	0.02	-0.01	0.01

THE GROUP'S COMPREHENSIVE INCOME STATEMENT (M€)

	1-6/2022	1-6/2021	1-12/2021	4-6/2022	4-6/2021
Continuing operations					
Result for the period	-5.3	10.2	20.9	1.9	4.0
Other comprehensive income items					
Items that will not be reclassified to profit or loss					
Change in fair value of equity investments	0.7	0.5	0.4	0.0	0.5
Tax impact	-0.1	-0.1	-0.1	0.0	-0.1
Items that will not be reclassified to profit or loss, total	0.5	0.4	0.3	0.0	0.4
Items that may be subsequently transferred to profit or loss					
Change in value of cash flow hedging	0.8	-0.3	0.0	0.3	0.6
Change in translation differences related to foreign companies	0.4	4.0	5.8	1.2	-0.6
Tax impact	-0.2	0.1	0.0	-0.1	-0.1
Items that may be subsequently transferred to profit or loss, total	1.0	3.7	5.8	1.5	-0.1
Comprehensive income for the period	-3.7	14.3	26.9	3.4	4.3
Components of comprehensive income					
Equity holders of the parent company	-3.7	14.3	26.9	3.4	4.3

THE GROUP'S BALANCE SHEET (M€)

ASSETS	30.6.2022	30.6.2021	31.12.2021
Non-current assets			
Intangible assets	34.9	35.8	36.0
Goodwill	48.5	48.6	49.6
Tangible assets	93.8	95.3	102.1
Equity investments	3.1	2.9	2.8
Deferred tax assets	5.1	3.9	3.9
Total non-current assets	185.4	186.4	194.4
Current assets			
Inventories	40.5	39.8	37.9
Accounts receivables and other receivables	30.3	32.3	33.1
Financial assets at fair value through profit or loss	36.3	55.7	67.9
Cash and bank receivables	25.6	18.9	21.1
Total current assets	132.4	146.7	160.0
Assets classified as being held for sale*	7.3	-	-
Total assets	325.5	333.1	354.4
SHAREHOLDER'S EQUITY AND LIABILITIES	30.6.2022	30.6.2021	31.12.2021
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-2.9	-17.8	-17.8
Other equity attributable to equity holders of the parent company	229.9	257.5	270.7
Equity attributable to equity holders of the parent company	254.8	267.5	280.7
Non-controlling interests	-	-	-
Total shareholder's equity	254.8	267.5	280.7
Non-current liabilities			
Deferred tax liabilities	9.8	6.6	9.8
Non-current financial liabilities	24.9	21.2	25.9
Total non-current liabilities	34.7	27.8	35.7
Current liabilities			
Accounts payable and other liabilities	30.1	36.3	34.7
Derivative contracts	0.1	0.4	0.2
Current financial liabilities	3.3	1.1	3.2
Total current liabilities	33.4	37.8	38.0
Debts and provisions related to assets being held for sale *	2.4	-	-
Total liabilities	70.6	65.6	73.7
Total shareholder's equity and liabilities	325.5	333.1	354.4

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

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 01/01/2022	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	-	-	-	-	-	-	-	-5.3	-5.3
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.7	-	-	-	0.7
Tax impact	-	-	-	-	-0.1	-	-	-	-0.1
Change in value of cash flow hedging	-	-	-	-	0.8	-	-	-	0.8
Change in translation differences related to foreign companies	-	-	-	-	-	-	0.4	-	0.4
Tax impact	-	-	-	-	-0.2	-	-	-	-0.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	1.1	0.0	0.4	-5.3	-3.7
Business activities involving shareholders									
Dividends	-	-	-	-	-	-	-	-22.2	-22.2
Cancellation of own shares	-	-	-	10.6	-	14.5	-	-25.2	0.0
Share-based payments	-	-	-	-	-	0.4	-	-0.3	0.1
Total business activities involving shareholders	0.0	0.0	0.0	10.6	0.0	14.9	0.0	-47.7	-22.2
Shareholder's equity on 30 June 2022	27.8	2.9	88.6	20.8	0.5	-2.9	-14.3	131.4	254.8

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	-	-	-	-	-	-	-	10.2	10.2
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.5	-	-	-	0.5
Tax impact	-	-	-	-	-0.1	-	-	-	-0.1
Change in value of cash flow hedging	-	-	-	-	-0.3	-	-	-	-0.3
Change in translation differences related to foreign companies	-	-	-	-	-	-	4.0	-	4.0
Tax impact	-	-	-	-	0.1	-	-	-	0.1
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.1	0.0	4.0	10.2	14.3
Business activities involving shareholders									
Dividends	-	-	-	-	-	-	-	-20.6	-20.6
Corporate acquisition	-	-	-	2.1	-	1.8	-	-	3.9
Share-based payments	-	-	-	-	-	-	-	0.4	0.4
Total business activities involving shareholders	0.0	0.0	0.0	2.1	0.0	1.8	0.0	-20.2	-16.3
Shareholder's equity on 30 June 2021	27.8	2.9	88.6	10.2	-0.7	-17.8	-16.6	173.2	267.5

Equity attributable to equity holders of the parent company	A	B	C	D	E	F	G	H	I
Shareholder's equity on 01/01/2021	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€)

CASH FLOW FROM BUSINESS OPERATIONS, continuing and discontinued operations	1-6/2022	1-6/2021	1-12/2021	4-6/2022	4-6/2021
Result before taxes	-5.7	12.9	24.7	2.3	5.1
Adjustments:					
Planned depreciations	5.3	3.4	8.4	2.6	1.8
Financial income and expenses	2.5	-0.8	-0.9	1.3	-0.5
Other adjustments	7.5	0.4	0.8	0.3	0.2
Total adjustments	15.3	3.0	8.3	4.2	1.5
Cash flow before change in working capital	9.6	15.8	33.0	6.5	6.6
Change in working capital					
Increase (-) / decrease (+) in current receivables	-2.2	-2.9	-3.8	-0.9	0.7
Increase (-) / decrease (+) in inventories	-14.2	-2.0	0.0	-7.9	0.2
Increase (+) / decrease (-) in current interest-free liabilities	-1.8	5.2	4.8	-1.4	5.3
Total change in working capital	-18.2	0.4	1.1	-10.1	6.1
Cash flow from business operations before financial items and taxes	-8.5	16.2	34.1	-3.6	12.7
Interest paid and payments for other financial expenses from business operations	-0.2	-0.3	-0.5	-0.2	-0.2
Dividends received from business operations	0.3	0.1	0.2	0.2	0.1
Interest received and other financial income from business operations	0.3	0.3	0.4	0.1	0.2
Other financial items, net	-0.1	0.4	0.7	-0.1	0.1
Income taxes paid	-1.5	-1.3	-0.4	-1.2	-0.7
Cash flow from business operations after financial items and taxes	-9.9	15.4	34.5	-4.7	12.2
CASH FLOW FROM INVESTMENTS					
Investment in tangible assets	-2.0	-6.2	-9.7	-0.7	-3.4
Investment in intangible assets	-0.4	-0.7	-1.0	-0.3	-0.5
Proceeds from Group shares adjusted by cash at the date of transfer	-2.8	-	-	-2.8	-
Income from intangible and tangible assets	1.5	-	-	1.5	-
Proceeds from equity investments	0.4	0.4	0.4	0.4	0.0
Acquired businesses	-	-7.0	-7.0	-	-7.0
Cash flow from investments	-3.3	-13.5	-17.3	-1.8	-10.9
Cash flow after investments	-13.1	1.8	17.2	-6.5	1.3
CASH FLOW FROM FINANCIAL OPERATIONS					
Other financial items, net	-0.1	1.3	1.4	-0.1	0.1
Withdrawal of non-current loans					
Payments associated with the reduction of lease liability	-1.4	-0.5	-1.5	-0.7	-0.3
Repayment of non-current loans	-	-	-0.1	-	-
Dividends and other profit distribution paid to shareholders of the parent company	-22.1	-20.5	-20.5	-22.1	-20.5
Net cash flow from financial operations	-23.7	-19.7	-20.7	-22.9	-20.7
CHANGE IN LIQUID FUNDS	-36.8	-17.8	-3.5	-29.4	-19.4
Liquid funds at the beginning of the period	89.0	93.2	93.2		
Impact of changes in exchange rates	0.2	0.2	0.2		
Impact of changes in market value of the liquid funds	-2.4	-0.9	-0.9		
Liquid funds at the end of the period	50.1	74.7	89.0		

NOTES TO THE HALF-YEAR FINANCIAL REPORT

Basic information

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 Half-Year Financial Report for January-June 2022 has been prepared in accordance with IAS 34, Interim Financial Reporting regulations and 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 on 1 January 2022.

The standard amendments and interpretations that entered into effect on 1 January 2022 have had no material impact on the Group's EBIT, financial position or presentation of the Half-Year Financial Report.

The Half-Year Financial 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 as 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 decided to terminate its consumer business in Russia. On 13 May 2022, Raisio announced it would realise the sale of Raisio plc's Russian consumer business during the review period. Raisio signed the agreements for sale on 29 April 2022. According to the agreement, the subsidiary OOO Raisio Nutrition, which has handled the Group's consumer business in Russia, was sold to the Russian company Copacker Agro Ltd. Russian authorities registered the deal on 12 May 2022, when the activities of Raisio's subsidiary, OOO Raisio Nutrition, transferred officially to Copacker Agro Ltd. At the same time, the rights to the Nordic brand name used by Raisio's Russian subsidiary within, among others, the Russian and Belarus markets, was sold to the Estonian company Nordgate Trading Oü. The sale of the Russian consumer business generated a capital loss of EUR 3.5 million for Raisio. As a result, Raisio recognised an estimated impairment loss of EUR 2.9 million in its EBIT for the first quarter of 2022 and classified the activities included in the deal as assets available for sale and reported them as discontinued operations.

On 31 May 2022, Raisio Group began preparations to sell Raisioaqua Ltd and classified the fish feed business in the reporting for the second quarter of 2022 as assets being held for sale and reported them as discontinued operations. In the first quarter of the review period, Raisio reported a EUR 4.1 million impairment loss in tangible fixed assets from the fish feed business.

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 overall Group net sales for the review period, EUR 4.8 (17.8) million was derived from the Russian and Ukrainian markets.

M€	1-6/2022	1-6/2021	1-12/2021
Net sales*	4.8	17.8	36.7

* Includes continuing and discontinued operations

The net sales for the Ukraine business accounted for EUR 2.0 million of the 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 one or rare events. Significant expenses of outside experts related to business acquisitions and business expansion, expenses related to business reorganisation and expenses related to the impairment of assets and their possible repayment are presented as items affecting comparability.

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

Events following the review period

Raisio had no events to report following the review period.

SEGMENT INFORMATION

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

Revenue by segment (M€)

	1-6/2022	1-6/2021	1-12/2021
Healthy Food			
Western Europe	32.1	31.1	63.1
Northern Europe	33.2	28.5	59.8
Eastern and Central Europe	5.5	5.4	11.4
Total Healthy Food	70.7	65.1	134.3
Healthy Ingredients	57.0	44.7	96.6
Other operations	0.9	0.7	1.5
Interdivisional net sales	-19.9	-15.0	-32.4
Total net sales	108.7	95.5	200.0

EBIT by segment (M€)

	1-6/2022	1-6/2021	1-12/2021
Healthy Food	6.8	8.4	18.1
Healthy Ingredients	1.4	2.4	5.6
Other operations	-2.3	-1.9	-3.6
Interdivisional	0.0	0.0	0.0
Total EBIT	5.9	8.9	20.2

EBIT for the Healthy Food Segment includes a return of EUR 1.1 million in pension fund surplus from previous years.

Net assets by segment (M€)

	1-6/2022	1-6/2021	1-12/2021
Healthy Food	86.8	83.7	89.5
Healthy Ingredients	118.3	103.5	109.1
Other operations and unallocated items	49.7	80.3	82.1
Total net assets	254.8	267.5	280.7

Investments by segment (M€)

	1-6/2022	1-6/2021	1-12/2021
Healthy Food	0.3	0.3	1.0
Healthy Ingredients	1.6	10.3	20.7
Other operations	0.8	0.9	1.4
Total investments	2.6	11.5	23.0

SALES REVENUE

Revenue by country (M€)

	1-6/2022	1-6/2021	1-12/2021
Finland	51.5	39.9	84.9
Great Britain	27.0	26.4	53.0
Other	30.3	29.2	62.2
Total net sales	108.7	95.5	200.0

Revenue by group (M€)

	1-6/2022	1-6/2021	1-12/2021
Sales of goods	107.7	94.7	198.3
Sales of services	0.8	0.5	1.1
Royalties	0.3	0.3	0.6
Total net sales	108.7	95.5	200.0

ACQUIRED BUSINESSES, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Acquired businesses during the review period

For the period of 1 January–30 June 2022 there were no acquired businesses.

Acquired businesses during 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 paid overall purchase price:

	EUR million
Consideration paid for shares	3.9
Compensation 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 on 1 April 2021	3.9
Recognised total of assets and assumed liabilities arising from acquisitions	
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 payable and other liabilities	-1.2
Current liabilities, cash pool	-7.0
Deferred tax liabilities	-0.3
Current financial liabilities	-0.1
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€:

	1.4–30.6.2021	1.4–31.12.2021
Net sales	1.9	5.7
EBIT	-0.8	-1.9

If Verso Food Oy had been merged with Raisio Group from the beginning of 2021, the impact on the Group's net sales would have been EUR 4.0 million and on EBIT EUR -1.8 million for the period of 1 January–30 June 2021. Had Verso Food Oy been merged with Raisio Group from the beginning of 2021, the impact on the Group's net sales would have been EUR 7.8 million and on EBIT EUR -2.7 million.

The impact of the acquired businesses on the cash flow of the Group's business in 2021 was EUR -1.6 million.

Review period's discontinued operations and assets held for sale

Russian consumer business

Raisio signed an agreement to sell its Russian consumer business on 29 April 2022. According to the agreement, the subsidiary OOO Raisio Nutrition, which has handled the Group's consumer business in Russia, was sold to

the Russian company Copacker Agro Ltd. Russian authorities registered the deal on 12 May 2022, when the activities of Raisio's subsidiary, OOO Raisio Nutrition, transferred officially to Copacker Agro Ltd. At the same time, the rights to the Nordic brand name used by Raisio's Russian subsidiary within, among others, the Russian and Belarus markets, were sold to the Estonian company Nordgate Trading OÜ.

Comparative figures for earlier periods have been adjusted in terms of the income statement for continuing operations, cash flow statement and some key figures.

Income statement concerning the discontinued Russian consumer business (M€)

	1-6/2022	1-6/2021	1-12/2021
Net sales	2.4	4.1	9.1
Cost of sales	-2.0	-3.0	-6.8
Gross profit	0.4	1.1	2.3
Other operating income and expenses, net	-0.4	-0.7	-1.2
EBIT	0.1	0.4	1.1
Financial income	0.0	0.0	0.0
Result before taxes	0.1	0.4	1.2
Income taxes	0.0	-0.1	-0.2
Result for the period after taxes	0.1	0.3	0.9
Result of the transfer of discontinued operations after taxes	-3.8	-	-
Result for the period from discontinued operations	-3.7	-	-
Taxes of discontinued operations			
Taxes from result of discontinued operations	0.0	-0.1	-0.2
Taxes from result of the transfer of discontinued operations	-0.3	-	-
Taxes of discontinued operations, total	-0.3	-0.1	-0.2

Earnings/share from the discontinued Russian consumer business

	1-6/2022	1-6/2021	1-12/2021
Earnings/share, €	-0.02	0.00	0.01

Cash flow from the discontinued Russian consumer business (M€)

	1-6/2022	1-6/2021	1-12/2021
Cash flow from business operations	1.4	0.5	0.5
Cash flow from investments	-1.3	-	0.0
Cash flow in total	0.1	0.5	0.5

Impact of the discontinued Russian consumer business on the Group's financial position (M€)

	30.6.2022	30.6.2021	31.12.2021
Non-current assets	0.1	0.0	0.0
Inventories	0.4	0.3	0.4
Short-term receivables	0.8	1.0	1.7
Liquid funds	2.8	1.1	1.2
Assets in total	4.0	2.5	3.3
Current liabilities	0.4	0.2	0.3
Total liabilities	0.4	0.2	0.3
Divested net assets	3.7		
Accumulated translation differences	-1.4		
Capital gain/loss on the divested business including accumulated translation differences	-3.5		
Transaction expenses allocated to the divestment	0.0		
Profit impact on EBIT	-3.5		
Debt-free enterprise value of the shares	2.8		
Net interest-bearing assets of divested subsidiary at the time of transfer	2.8		
Enterprise value of the shares	0.0		
Enterprise value of the shares	0.0		
Net interest-bearing debt of divested subsidiaries at the time of transfer	2.8		
Russian subsidiary divestment adjusted for cash at the time of transfer	-2.8		
Cash flow from divestment including expenses	-2.8		

Impact of the discontinued Russian consumer business on the Group's cash flow statement (M€)

	1-6/2022
Subsidiary divestments adjusted for cash at the time of transfer	-2.8
Cash flow from investments, Nordic brand name	1.5
Cash flow from business operations	1.4
Cash flow effect in total	0.1

Fish feed business

In March 2022, Raisio plc terminated its export activities to Russia, which meant that the fish feed exports of the Group's Raisioaqua Ltd to the country also ended. The fish feed business is not part of Raisio's core activities, which focus on healthy food and ingredients, nor is it one of the company's strategic areas of focus. On 31 May 2022, Raisio began preparations to sell Raisioaqua Ltd. Raisio's aim is to complete the arrangements concerning Raisioaqua during the financial year of 2022. Raisio Group classified the fish feed business in the reporting for the second quarter of 2022 as assets being held for sale and reported them as discontinued operations. In the first quarter of the review period, Raisio reported a EUR 4.1 million impairment loss in tangible fixed assets from the fish feed business.

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 fish feed business as assets held for sale and reported it as discontinued operations from the beginning of the second quarter of the review period.

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 the fish feed business (M€)

	1-6/2022	1-6/2021	1-12/2021
Net sales	9.2	17.1	37.3
Cost of sales	-13.9	-16.1	-35.5
Gross profit	-4.7	1.0	1.8
Income and expenses from business operations	-0.9	1.7	0.7
EBIT	-5.6	2.7	2.4
Financial income and expenses	-	-	-
Result for the period before taxes	-5.6	2.7	2.4
Income taxes	1.1	-0.5	-0.5
Result for the period after taxes	-4.5	2.2	2.0

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

Earnings/share from the fish feed business

	1-6/2022	1-6/2021	1-12/2021
Earnings/share, €	-0.03	0.01	0.01

Assets and liabilities related to the fish feed business (M€)

	30.6.2022
Intangible assets	0.1
Tangible assets	2.2
Deferred tax assets	0.3
Inventories	11.3
Accounts receivables and other receivables	4.6
Total assets included in the group classified as held for sale	18.5
Non-current right-of-use assets	0.0
Current right-of-use assets	0.0
Accounts payable and other liabilities	2.4
Other interest-bearing liabilities (Cash pool)	11.2
Total debts included in the group classified as held for sale	13.7
Total net assets included in the group classified as held for sale	4.9

Cash flow from the fish feed business (M€)

	1-6/2022	1-6/2021	1-12/2021
Cash flow from business operations	-9.9	2.3	5.6
Cash flow from investments	-0.3	-1.0	-1.1
Cash flow from financing activities	-	-	-
Cash flow in total	-10.1	1.3	4.5

Discontinued operations and assets held for sale in 2021

There were no discontinued operations or assets held for sale during the financial period of 1 January–30 June 2021 or during the year 2021.

TANGIBLE RIGHT-OF-USE ASSETS (M€)

	30.6.2022	30.6.2021	31.12.2021
Acquisition cost at the beginning of the period	354.5	317.9	317.9
Translation differences	0.2	0.1	0.1
Additions, includes additions made in accordance with the IFRS 16 standard	2.5	11.8	23.2
Additions, acquired businesses	-	13.9	13.9
Decreases and transfers	-1.7	-	-0.6
Assets classified as being held for sale	-17.5	-	-
Acquisition cost at end of period	338.0	343.8	354.5
Accumulated depreciation and impairment at the beginning of the period	252.4	244.8	244.8
Translation differences	0.3	0.1	0.1
Accumulated depreciations, acquired businesses	-	0.9	0.9
Decreases and transfers	-1.6	-0.1	-0.5
Depreciations and impairment for the period	8.6	2.8	7.1
Assets classified as being held for sale	-15.3	-	-
Accumulated depreciation and impairment at end of period	244.3	248.5	252.4
Book value at end of period	93.8	95.3	102.1

LEASED RIGHT-OF-USE ASSETS (M€)

	30.6.2022	30.6.2021	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
Increases	0.7	5.9	14.0
Increases, corporate acquisition	-	6.3	6.3
Divestment and other decreases	0.0	-0.1	-0.6
Acquisition cost at end of period	32.0	23.8	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 depreciations from decreases and transfers	0.0	0.1	0.5
Depreciations for the period	-1.5	-0.5	-1.6
Accumulated depreciation and impairment at end of period	-4.1	-1.9	-2.6
Book value at the beginning of the period	28.7	10.2	10.2
Book value at end of period	27.9	21.9	28.7

The increases to the right-of-use assets for the period 1 January-30 June 2021 included EUR 4.7 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 RECOGNISED IN THE INCOME STATEMENT (M€)

	30.6.2022	30.6.2021	31.12.2021
Rental income	0.3	0.3	0.7
Depreciations for fixed assets	-1.5	-0.5	-1.6
Costs of short-term and low-value leases	0.0	0.0	0.0
Interest expenses related to leases	-0.2	0.0	-0.2
Total	-1.4	-0.2	-1.1
Outgoing cash flow resulting from leases	1.4	0.5	1.5

LEASE LIABILITIES (M€)

	30.6.2022	30.6.2021	31.12.2021
Non-current lease liabilities	28.8	10.2	10.2
Translation differences	0.0	0.0	0.0
Increase in lease liabilities, acquired businesses	-	6.3	6.3
Increase in lease liabilities	0.7	5.9	13.8
Payments related to decrease of lease liabilities	-1.4	-0.5	-1.5
Total	28.1	21.9	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	24.7	20.9	25.6
Current lease liabilities at the beginning of period	3.2	0.6	0.6
Current lease liabilities at the end of period	3.3	1.1	3.2

The increases to the lease liabilities for the comparison period of 1 January–30 June 2021 include EUR 4.7 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€)

	30.6.2022	30.6.2021	31.12.2021
Sales to key employees in management	0.8	0.6	1.2
Purchases from key employees in management	1.8	0.4	4.1
Receivables from the key persons in the management	0.1	0.1	0.1
Payables to key management personnel	-	0.1	0.0

CONTINGENT LIABILITIES AND ASSETS (M€)

	30.6.2022	30.6.2021	31.12.2021
Contingent off-balance sheet liabilities			
Other liabilities	5.1	3.8	4.6
Guarantee liabilities on the Group companies' commitments	1.8	5.2	1.5
Commitment to investment payments	1.8	7.7	2.4

DERIVATIVE CONTRACTS (M€)

	30.6.2022	30.6.2021	31.12.2021
Nominal values of derivative contracts			
Currency forward contracts	32.4	28.3	33.1
Currency options	18.1	16.6	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 30.6.2022	Fair value 30.6.2022	Carrying amount 31.12.2021	Fair value 31.12.2021
Financial assets				
Equity investments*)	3.1	3.1	2.8	2.8
Accounts receivables and other receivables	33.0	33.0	32.1	32.1
Investments recorded at fair value through profit or loss*)	35.6	35.6	67.9	67.9
Liquid funds	14.4	14.4	21.1	21.1
Derivatives*)	0.7	0.7	0.0	0.0
Financial liabilities				
Other loans	0.5	0.5	0.3	0.3
Lease liabilities	28.1	28.1	28.8	28.8
Accounts payable and other liabilities	20.1	20.1	26.7	26.7
Derivatives*)	0.1	0.1	0.2	0.2

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

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€)

	1-6/2022	1-6/2021	1-12/2021
Impairment for intangible and tangible fixed assets	4.1	-	-
Divestment losses of subsidiary shares	5.0	-	-
Capital gains and losses of fixed assets	-1.5	-	-0.1
Costs of share rewards	0.0	0.4	0.8
Other	-0.2	0.0	0.0
Total adjustments in cash flow statement	7.5	0.4	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€)

	1-6/2022	1-6/2021	1-12/2021
Acquisitions of fixed assets in total	-2.9	-12.5	-24.2
Payments for investments of earlier financial periods (change in liabilities)	0.5	5.6	13.5
Acquired businesses	-	-7.0	-7.0
Investments funded by lease commitments or other interest-bearing debt	-1.4	-0.5	-1.5
Fixed asset acquisitions funded by cash payments	-3.8	-14.4	-19.2
Capital gain and loss on fixed assets in the income statement or comprehensive income statement	1.8	0.4	0.4
Balance sheet value of disposed asset	0.1	0.0	0.0
Consideration received from fixed asset divestments in the cash flow statement	1.9	0.4	0.4

Reconciliation of liabilities related to financing activities (M€)

	31.12.2021	Cash flows	Non cash flow influenced changes Changes in IFRS 16 exchange rates	30.6.2022
Non-current liabilities	0.3	-	-	0.3
Lease liability	28.8	-1.4	0.7	28.1
Total liabilities for financing activities	29.1	-1.4	0.7	28.3

RECONCILIATIONS OF ALTERNATIVE KEY FIGURES

Reconciliation of items affecting comparable EBIT, Raisio Group

		4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Comparable EBIT		4.4	4.1	5.9	9.6	21.3
- Expenses related to acquired businesses	M€	-	-0.6	-	-0.6	-0.6
- Expenses related to structural arrangements	M€	-	-0.1	-	-0.1	-0.5
Items affecting comparability, in total	M€	-	-0.7	-	-0.7	-1.0
EBIT	M€	4.4	3.4	5.9	8.9	20.2

Reconciliation of items affecting comparable EBITDA, reconciliation to EBIT, Raisio Group

		4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Comparable EBITDA	M€	6.9	5.8	10.9	12.6	28.8
+/- Items affecting EBIT	M€	-	-0.7	-	-0.7	-1.0
Items affecting comparability, in total	M€	-	-0.7	-	-0.7	-1.0
EBITDA	M€	6.9	5.1	10.9	11.9	27.8
+/- Depreciations	M€	-2.5	-1.6	-5.0	-3.0	-7.6
EBIT	M€	4.4	3.4	5.9	8.9	20.2

Reconciliation of items affecting comparable EBIT, Healthy Food Segment

		4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Comparable EBIT	M€	4.1	4.0	6.8	8.5	18.4
- Expenses related to structural arrangements	M€	-	-0.1	-	-0.1	-0.2
Items affecting comparability, in total	M€	-	-0.1	-	-0.1	-0.2
EBIT	M€	4.1	3.9	6.8	8.4	18.1

Reconciliation of items affecting comparable EBIT, Healthy Ingredients Segment

		4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Comparable EBIT	M€	1.4	1.2	1.4	3.0	6.3
- Expenses related to acquired businesses	M€	-	-0.6	-	-0.6	-0.6
- Expenses related to structural arrangements	M€	-	-	-	-	-0.1
Items affecting comparability, in total	M€	-	-0.6	-	-0.6	-0.7
EBIT	M€	1.4	0.6	1.4	2.4	5.6

QUARTERLY EARNINGS OF GROUP (M€)

	4-6/2022	1-3/2022	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Net sales by segment						
Healthy Food	35.1	35.6	35.2	34.0	33.1	32.0
Healthy Ingredients	29.4	27.6	26.7	25.3	24.0	20.7
Other operations	0.5	0.5	0.4	0.3	0.3	0.4
Interdivisional net sales	-9.4	-10.5	-8.6	-8.8	-7.5	-7.6
Total net sales	55.5	53.2	53.8	50.8	49.9	45.5
EBIT by segment						
Healthy Food	4.1	2.7	4.5	5.3	3.9	4.5
Healthy Ingredients	1.4	0.0	1.5	1.7	0.6	1.8
Other operations	-1.0	-1.3	-1.4	-0.3	-1.1	-0.8
Interdivisional net sales	0.0	0.0	0.0	0.0	0.0	0.0
Total EBIT	4.4	1.4	4.6	6.7	3.4	5.5
Financial income and expenses, net	-1.2	-1.3	0.1	0.0	0.5	0.3
Result before taxes	3.2	0.2	4.7	6.7	3.9	5.7
Income taxes	-0.2	-0.2	0.3	-1.3	-0.8	-1.2
Result for the period	3.0	0.0	4.9	5.4	3.1	4.5

	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	23.3	20.7	22.3	22.4
Other operations	0.5	0.3	0.3	0.4
Interdivisional net sales	-7.3	-7.2	-6.5	-9.2
Total net sales	48.1	44.4	45.3	48.0
EBIT by segment				
Healthy Food	4.0	4.7	3.4	4.6
Healthy Ingredients	2.7	2.0	2.9	2.8
Other operations	-0.5	-0.1	-0.8	-0.9
Interdivisional net sales	0.0	0.0	0.0	0.0
Total EBIT	6.1	6.6	5.6	6.5
Financial income and expenses, net	1.1	0.8	2.5	-4.0
Result before taxes	7.3	7.4	8.1	2.5
Income taxes	-1.1	-2.1	-2.0	-0.6
Result for the period	6.2	5.3	6.1	1.9

KEY FIGURES

	30.6.2022	30.6.2021	31.12.2021
Net sales, M€	108.7	95.5	200.0
Change of net sales, %	13.9	11.2	7.7
EBITDA, M€	10.9	11.9	27.8
Comparable EBITDA, M€	10.9	12.6	28.8
Depreciation and impairment, M€	5.0	3.0	7.6
EBIT, M€	5.9	8.9	20.2
% of net sales	5.4	9.3	10.1
Comparable EBIT, M€	5.9	9.6	21.3
% of net sales	5.4	10.0	10.6
Result before taxes, M€	3.3	9.7	21.1
% of net sales	3.1	10.2	10.6
Return on equity, %	2.2	5.7	6.4
Return on investment (ROIC), %	-4.3	8.9	8.8
Comparable return on investment (ROIC), continuing operations, %	-4.3	6.6	8.3
Return on investment (ROIC), continuing operations, %	2.5	7.0	7.8
Comparable return on investment (ROIC), continuing operations %	2.5	7.6	8.2
Interest-bearing financial liabilities at end of period, M€	28.3	22.3	29.1
Net interest-bearing financial liabilities at end of period, M€	-21.7	-52.3	-60.0
Working capital, continuing operations	41.4	26.6	29.9
Equity ratio, %	78.3	80.5	79.3
Net gearing, %	-8.5	-19.6	-21.4
Investments, M€	2.6	11.5	23.0
% of net sales	2.4	12.1	11.5
R&D expenses, M€	1.4	1.7	3.1
% of net sales	1.3	1.8	1.6
Average personnel	354	342	333
Earnings/share, €	-0.03	0.06	0.13
Earnings/share, continuing operations, €	0.02	0.05	0.11
Comparable earnings /share, continuing operations, €	0.02	0.05	0.12
Earnings/share, discontinued operations, €	-0.05	0.02	0.02
Cash flow from business operations after financial items and taxes, M€	-9.9	15.4	34.5
Cash flow from business operations/share after financial items and taxes, €	-0.06	0.10	0.22
Equity/share, €	1.61	1.69	1.77
Average number of shares during the period, in 1,000s			
Free shares	128,001	126,847	127,268
Restricted shares	30,704	31,100	30,933
Total *	158,705	157,946	158,201
Average number of shares at end of period, in 1,000s			
Free shares	129,232	127,665	127,708
Restricted shares	30,704	30,785	30,788
Total *	159,936	158,450	158,496
Market capitalisation of shares at end of period, M€			
Free shares	248.3	481.3	430.4
Restricted shares	70.9	117.6	104.9
Total *	319.2	598.9	535.2
Share price at end of period			
Free shares	1.94	3.77	3.37
Restricted shares	2.31	2.82	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.
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Return on equity (ROE), %	$\frac{\text{Result before taxes} - \text{income taxes}}{\text{Shareholders' equity (average over the period)}} \times 100$
Return on equity measures the earnings for the financial period in proportion to equity. The figure shows the Group's ability to generate profits from the shareholders investments.	

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

Comparable return on investment (ROIC), %	Result after taxes +/- comparable item	x 100
	Operating cash* + net working capital + non-current assets (*Operating cash 4% of net sales)	

Return on investment (ROIC), continuing operation, %	Result after taxes of continuing operations	x 100
	Operating cash* + net working capital + non-current assets - discontinuing operations net working capital and non-current assets (*Operating cash 4% of net sales)	

Equity ratio, %	Shareholders' equity	x 100
	Balance sheet total – advances received	
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	Sales receivables and other receivables + inventories
	- accounts payable - other liabilities
Net working capital measures the amount of the financing tied up in the company's current activities and thus, also the efficiency of the use of capital.	

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

Net gearing, %	Net interest-bearing financial liabilities	x 100
	Shareholders' equity	
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	Profit for the period attributable to the parent company shareholders +/- items affecting comparability
	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	Cash flow from business operations
	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	Equity of parent company shareholders
	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	Closing price, adjusted for issue x number of shares without company shares at the end of the period
The figure represents the value of the Group's share capital on the stock market.	



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