RAISIO

Raisio plc

Annual Review and Corporate Responsibility Report 2022

Food for Health, Heart and Earth

At Raisio, we make food from the heart, with the aim of bringing health to ourselves and the Earth. We keep creating better plant-based and heart-healthy products so that eating healthily and within the Earth's ecological capacity can be a joy.

Our strong brands, such as Benecol®, Härkis® and Elovena®, turn our ambitions into reality. Through our responsibility work, we make the hard choices for consumers, so that they can choose Raisio products with confidence.

number of employees around
350

established in
1939

production facilities
5

countries of operation
10

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Corporate Responsibility Report

Annual Review

Raisio at a glance

Raisio is an international company specialised in healthy, responsibly produced food and ingredients. Our well-known and beloved brands, such as Benecol®, Härkis® and Elovena®, are part of everyday life in millions of households. We have around 350 healthy food colleagues in six countries and export to more than 40 markets around the world. We also sell oat and fava bean products to industrial and bakery customers, particularly in Finland and Europe.

All five of our production facilities are located in Finland. Our key offices are in Finland, the UK, Ireland, Poland and Ukraine. The Group's head office is in Raisio, Southwest Finland. Raisio plc's shares are listed on Nasdaq Helsinki Ltd. At the end of 2022, Raisio plc had around 37,000 registered shareholders.

Our approach to responsibility stems from Raisio's purpose: Food for Health, Heart and Earth. As our purpose states, Raisio's aim is to create health for people and the planet. The company's strategy responds to the food transition, where different operators in the food chain are working to build a more sustainable food system in terms of the environment and climate. Our sustainability programme takes into account the health of the planet and its people, and looks at the sustainability of our products all the way from primary production through the factory to the table. Raisio's values – courage, fairness and drive – guide us towards our goals.

Our well-known and beloved brands are part of everyday life in millions of households.

Benecol® is the world's first and only family of products containing plant stanols.

Elovena® makes it easy to make good, healthy choices so you can enjoy the pleasure of eating.

Härkis® is the market leader in plant proteins in Finland.

Sunnuntai® products help you bake delicious treats for both everyday and special occasions.

Our high-quality Torino® pasta products are made from Finnish grains.

Nalle® products have been starting the days of many a family with children since 1971.

Finnish plant-based products for the Finnish food industry and export.

Key figures

continuing operations

Group net sales distribution by market area:

	2022	2021	2020
Finland	**48.0%**	42.4%	41.5%
UK	**24.2%**	26.5%	27.2%
Rest of Europe	**25.0%**	28.3%	28.1%
Rest of the world	**2.8%**	2.8%	3.1%

		2022	2021	2020
Net sales	M€	220.8	200.0	185.8
Change in net sales	%	10.4	7.7	0.3
Comparable EBIT	M€	18.4	21.3	23.7
Comparable EBIT of net sales	%	8.3	10.6	12.7
Comparable earnings/share	€	0.08	0.12	0.12
Cash flow from operations after financial items and taxes, continuing and discontinued operations	M€	11.6	34.5	34.7
Equity ratio	%	79.2	79.3	85.7
Net gearing	%	-15.7	-21.4	-30.8
Net interest-bearing debt	M€	-41.2	-60.0	-83.0
Investments	M€	5.2	23.0	26.9
Comparable return on invested capital (ROIC)	%	5.6	8.4	10.2
Dividend/share		0.14*	0.14	0.13

*Board of Directors' proposal: dividend EUR 0.14 per share, including an extra dividend of EUR 0.06 per share

Comparable EBIT in 2022:

€18.4 million

21.3 (2021) | 23.7 (2020)

Comparable return on invested capital (ROIC) in 2022:

5.6%

8.4 (2021) | 10.2 (2020)

Strong financial position enables growth and shareholder rewards

Our strong financial position provides a good basis for accelerating growth over the strategy period. Even though we have invested nearly 70 million euros in our production facilities and expertise in plant-based food and related technologies over the past three years, our financial position has remained strong.

Our aim is to continue to reward our shareholders in the years ahead as we build growth, and to pay an annual dividend of 50–100% of earnings per share. In addition to this, we aim to release value to shareholders through extra dividends and other ways enabled by a strong balance sheet.

We focus on heart-healthy and plant-based food

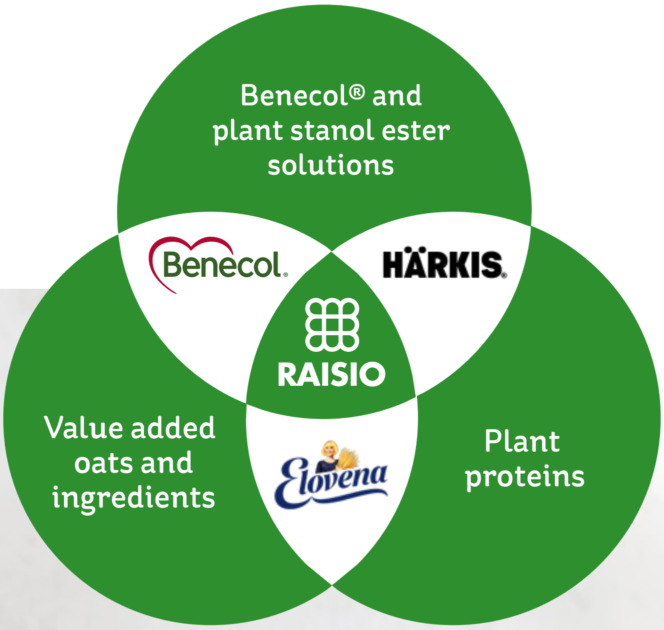
At Raisio, we work on heart-healthy and plant-based products, and the ongoing food transition is a source of inspiration and opportunity for us. The growth of our business is based on three focus areas: Benecol® products and plant stanol ester solutions, plant proteins, and oat-based consumer products and oats as an industrial raw material.

We have invested in plant-based foods, and these investments allow us to offer consumers the opportunity to make increasingly sustainable food choices. Our product range has expanded with both fava bean products and plant-based product lines manufactured in our new factory.

Our most important goal for the new 2022–2025 strategy period is to grow while boosted by the new capabilities and product categories made possible by investments realised in recent years. Our goal is to expand across Europe and significantly strengthen our range of plant-based products. We will export to new countries and expand our product range in countries where we are already active.

The compound annual growth rate (CAGR) target for the combined net sales of the three strategic focus areas is 11% and that of the Raisio Group as a whole is 9% over the strategy period. We also aim to achieve a comparable EBIT of over 13 per cent of our net sales in 2025.

Our strategy is built around three focus areas and their unique combinations.



Benecol® and plant stanol ester solutions

We will continue to invest in growing the international Benecol® brand. The plant stanol ester in Benecol® products has been shown to lower cholesterol, as evidenced by a strong cholesterol-lowering health claim approved by the EU Commission. Raisio is also investing in a research programme to study other potential health-promoting properties of plant stanol ester.

We are aiming for a compound annual growth rate (CAGR) of four per cent between 2020 and 2025. This will be achieved through research, product development and increased brand awareness, as well as expansion into new product categories.

Oat-based consumer products and oats as an industrial raw material

We will continue our international expansion based on our strong oat expertise in both the B2B and consumer markets. Our goal is to grow the net sales of these products by an average of 21% per year (CAGR) between 2020 and 2025. This will be achieved by investing in technological innovation, research, product development and brands.

Plant proteins

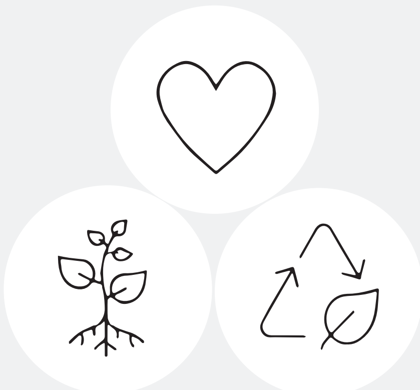
Consumer choices are increasingly directed towards healthy and sustainably produced, plant-based food. Raisio wants to strengthen its position in this promising and fast-growing market in Finland as well as internationally. Our goal is to grow the net sales of plant protein products by an average of 35% per year (CAGR) between 2021 and 2025. This will be achieved through technological innovation and by introducing our products to new markets.

Tailwinds from megatrends

Healthy living
Health is increasingly being understood as holistic well-being. The emphasis on mental well-being has increased during the pandemic.

Plant-based eating
As plant-based eating becomes more widespread and the range of products on offer expands, more and more expectations are being placed on product quality.

Sustainable food production
Sustainable choices are becoming increasingly relevant. Consumers are looking for ways to influence that they can understand and afford.



Our recent journey

Over the past ten years, we have changed both the direction of our business and the way we operate at Raisio. Our divestment of the confectionery and cattle feed businesses in 2017 and 2018 was a significant step in redirecting our business to focus on healthy food.

Raisio is well prepared to respond to food megatrends and the challenges of the food transition: we have invested almost 70 million euros in our preparedness over the past few years. Our ability to meet the demand for plant-based food improved significantly in 2021: in the spring, we acquired the Finnish company Verso Food Oy, adding the Härkis® products to our range, and in the summer, our new food factory in Raisio started producing new plant-based products for consumers. Our new factory allows us to make extensive use of plant-based raw materials.

We have invested almost 70 million euros in our preparedness over the past few years.

values & purpose

2017

An important step towards carbon neutrality: **we commissioned** a new bioenergy plant in Raisio, Finland

We divested our confectionery business and shifted our focus to **healthy food brands**

2018

We divested our cattle feed business and **redirected our business to healthy food**

2019

We started building a modern production facility to manufacture plant-based products in Raisio, Finland

2020

Our investment in new capabilities at the Nokia oat mill was completed

2021

We acquired Verso Food to strengthen our plant-based product offering

We commissioned a new bioenergy plant at the Nokia mill

We updated our strategy: the main objective is growth in three growth areas, supported by new capabilities and product categories

Raisio's operating environment changed significantly in 2022. Russia's invasion of Ukraine, which began in February, instantly changed our plans for the year, which had started so well. We decided very quickly to terminate all our business linked to Russia, which accounted for about 20% of the company's net sales.

The divestment of the Russian sales company in April and the transfer of Raisioaqua to discontinued business operations in May made it necessary to look at the company's operations from a new perspective. To accelerate the implementation of the strategy, we launched a comprehensive change programme in early August, the purpose of which was to develop the company's business, accelerate growth and improve profitability. As a result of this planning, in December Raisio updated its long-term financial goals until 2025.

As a whole, 2022 was definitely one of the most challenging years in Raisio's 84-year history. With good cooperation we came through it on the upswing.

24 FEBRUARY 2022

Russia's war of aggression in Ukraine instantly changed our plans for the year, which had started so well

3 MARCH 2022

We decided to terminate **all our business linked to Russia**, which accounted for about 20 per cent of the company's net sales

29 APRIL 2022

We divested our **Russian sales company**

31 MAY 2022

We decided to sell **Raisioaqua** and started the divestment process

AUGUST 2022

To accelerate the implementation of the strategy, we launched **a comprehensive change programme**

14 DECEMBER 2022

We updated our long-term financial goals until 2025

New products that do good

Plant-based and responsible food choices are becoming more and more popular among consumers. We are responding to this growing demand by providing Finnish consumers with new domestic oat products produced in our factory focusing on plant-based products in Raisio.

The product family of Elovena®, Finland's most valued and loved oat brand, was expanded with more than ten new products in 2022. The products are made with carbon-neutral energy and promote plant-based eating, which is good for the environment and people's health. The products are packaged in recyclable, mainly plant-based packaging.

Responsibility

Raisio's Good Food Plan

Our approach to responsibility stems from Raisio's purpose: Food for Health, Heart and Earth. Our sustainability programme – Raisio's Good Food Plan – takes into account the health of the planet and its people, and looks at the sustainability of our products all the way from primary production through the factory to the table.

We have integrated sustainability not only into our purpose, but also into our strategy. Our strategy responds to the food transition, where different operators in the food chain are working to build a more sustainable food system in terms of the environment and climate.

Consumer behaviour is also undergoing a change, with food choices increasingly influenced, not only by taste and health aspects, but also by sustainability topics.

Our responsibility programme runs parallel to Raisio's strategy period and now extends until the end of 2025.

THE AREAS OF OUR RESPONSIBILITY PROGRAMME:

- Environmentally Friendly Packaging
- Food Professionals
- Environment & Climate Action
- Healthy Food
- Sustainable Food Chain

From CEO

Our responsibility programme helps us take into account changes in our operating environment

The radical changes in our global operating environment in 2022 brought new issues to the agenda of our responsibility work that no one could have foreseen.

The choice of our most important social responsibility was obvious for us: it was to help those affected by the war in Ukraine. The year will also go down in history as a year of exceptional volatility in the grain market, and our objective of encouraging our contract farmers to adopt practices that increase crop security has become even more important. The Russian invasion also brought human rights issues under new scrutiny in our company: the employment of war refugees in labour-intensive agricultural jobs raised the debate about possible human rights risks in countries that are not usually perceived as risk countries. The challenges and threats related to energy, in turn, made us think even harder about how we can do our part to further reduce energy consumption.

As we at Raisio have been working on our responsibility for a long time, and related themes and projects are constantly promoted as an integral part of our everyday work, it was possible to quickly take up these new topics for discussion and consideration by the responsibility teams, while at the same time contributing to the achievement of our previously defined objectives. The key is to have a well-thought-out approach to sustainability; clear policies, practices and objectives; and a constant dialogue within the company. We are pleased to say that consumers also appreciate the responsibility work we do: At the start of the year, Elovena® was ranked number one in the Finnish Sustainable Brand Index, a survey of Finnish perceptions on the responsibility of brands.

At Raisio, we remain committed to supporting and implementing the core values related to human rights, working life principles, the environment and anti-corruption in our sphere of influence. Through our responsibility programme and related actions, we also support the UN's Sustainable Development Goals, such as responsible consumption, health and well-being, sustainable industry and water body health.

Pekka Kuusniemi
CEO, Raisio plc

Sustainable Development Goals

The objectives of our responsibility programme are clearly linked to the UN's Sustainable Development Goals. To this end, we have paired each responsibility programme project with a UN Sustainable Development Goal that we believe we can best contribute to through our activities.

The following goals were identified as the most relevant for our business: goal 3 – good health and well-being; goal 9 – industry, innovation and infrastructure; goal 10 – reduced inequalities; goal 12 – responsible consumption and production; goal 13 – climate action.

We want to make recycling easy

Our packaging material choices are guided by recyclability and the lowest possible amount of plastic. However, we always bear in mind the purpose of the packaging: to preserve the quality of the product and guarantee its shelf life.

Much of our work on packaging materials in 2022 has been linked to how we prepare for future packaging requirements, in particular the Single-use Plastics (SUP) Directive. The SUP Directive aims to reduce the amount of single-use plastics and plastic debris entering the environment.

For Raisio's products, the SUP Directive particularly affects our drink packages of all sizes. In 2023, we will introduce caps that will remain attached to the drink containers, as required by the Directive. This new practice aims to prevent drink container caps from ending up in the environment.

The caps for our drink cartons are made from plant-based plastic, with sugar cane as the raw material. Sugar cane is a sensible choice because it grows much faster than Nordic forests, for example, and yields many times more per hectare. The sugar cane plantations are located in areas that are not suitable for food crops. The sugar cane plantations do not require felling and are not located in rainforest areas. For these reasons, sugar cane is considered to be a sustainable alternative as a raw material for polyethylene production. Plant-based materials behave in exactly the same way as fossil-based materials, but they are significantly more environmentally friendly and reduce the carbon footprint of packaging. In 2019, the manufacturer of the cap, Tetra Pak, received the first Bonsucro certificate in its industry. The certificate guarantees responsible operations throughout the value chain, from sugar cane cultivation to the consumption of the end products. The certification guarantees that the environmental, social and economic impacts of the plantations, as well as their human rights and labour conditions, are monitored.

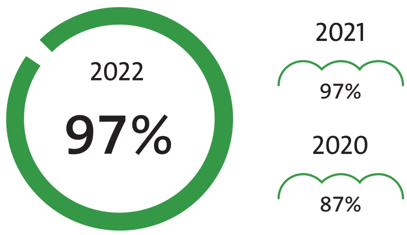
Plastic is still needed

We are constantly working to reduce the amount of packaging material and plastic used in our products. However, plastic cannot be eliminated for all products: packaging for liquid products and spreads requires a small amount of plastic to ensure that the packaging can withstand both moisture and grease, and to keep the product in perfect condition. The proportion of cardboard and paper packaging in our consumer packaging decreased in 2022, as we stopped all exports to Russia due to Russia's war of aggression. The packaging of Beanit® and Härkis® fava bean products somewhat increases the amount of plastic.

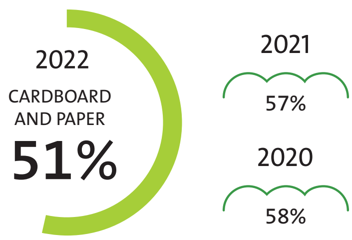
ENVIRONMENTALLY FRIENDLY PACKAGING – PRIMARY GOALS FOR 2022–2025

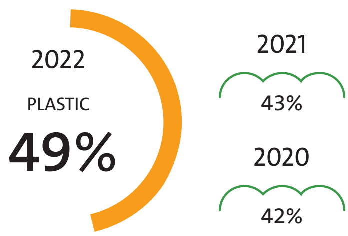
- All our packaging is recyclable by the end of 2025. We will increase the use of renewable and recycled material.
- Our aim is to continuously reduce the amount of packaging plastic and materials. Our long-term goal is to do away with plastic packaging altogether.
- We educate and inspire consumers on packaging recycling and sustainability.

RECYCLABLE CONSUMER PACKAGING



PACKAGING MATERIALS IN CONSUMER PRODUCTS





In 2023, the wrapping of Elovena® snack biscuits will be replaced by a material suitable for cardboard recycling. The new packaging will reduce the amount of plastic we use.

Package recycling must be easy

One of our key objectives is to encourage consumers to be responsible and recycle packaging. In addition to recycling labels, our products also include clear, verbal instructions on how to recycle the packaging. Consumers are also interested in other responsibility-related information, such as information on carbon-neutral production.

One of the key challenges related to packaging materials is that consumers' opportunities to recycle packaging materials for consumer products varies from market to market. We are trying to find packaging options that can be recycled in all markets.

We are passionate about the taste and healthiness of our products

We keep creating better plant-based and heart-healthy products so that eating healthily and within the Earth's ecological capacity can be a joy. Our plant-based products fit well with consumers' efforts to add plant-based products to their diets.

3 GOOD HEALTH AND WELL-BEING

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

To support product development, the company has defined healthiness criteria for all its product categories. The criteria take into account the nutrients essential for health in each category. Our view on healthy food is based on the generally approved concepts confirmed by the science of nutrition. As nutritional knowledge and requirements evolve, we will also update our criteria and keep them abreast of the developments. In 2022, we improved the health criteria for our drinks in terms of sugar content, and lowered the sugar limit for our flavoured drinks.

One of our long-term goals is to find ways to reduce the salt content of plant protein products. In plant protein products, the sodium in the ingredients increases the salt content of the final product. Therefore, we are trying to find ways to reduce the amount of sodium in our products that comes from ingredients.

80% of products healthy alternatives in their categories

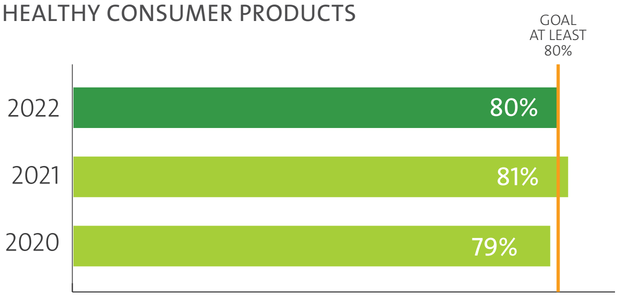
When we started to systematically assess our products from a health perspective in 2016, 63% of our consumer products were healthy alternatives in their respective product categories. The product portfolio has been systematically developed to be even healthier; at the end of 2022, 80% of our consumer products were healthy. Our aim is to maintain this level and continue to ensure that at least 80% of our consumer products are healthy. This objective is also in line with the commonly used 80/20 rule: the majority of the diet should be healthy, but occasional variations are allowed and there is no need to aim for absolutes.

In 2022, 77% of the new products we launched met our criteria for healthy products.

HEALTHY FOOD
– PRIMARY GOALS FOR 2022–2025

- At least 80% of our products will be healthy alternatives in their own product categories by the end of 2025.
- We actively promote a healthy and climate-friendly diet.
- We will further increase the amount of plant-based products.

HEALTHY CONSUMER PRODUCTS



More vegan recipes in the future

One of our goals is to actively promote a healthy and climate-friendly diet. An important part of this work is recipe development. Both professional kitchens and consumers are looking for easy ways to prepare plant-based food.

Our aim is that, in the future, all of our new recipes for professional kitchens will be suitable for a vegan diet. In our consumer recipes, we are taking a step-by-step approach with easy changes, such as replacing cream with plant-based cooking products.

Härkis® Oat Mince gives Finnish oats a whole new twist

The latest addition to the Härkis® product family is the Oat Mince range, launched in January 2023. Made from Finnish oats, the new product meets the consumers' demand for a tasty, healthy and easy-to-use plant protein product.

The aim of the product development was to create a ready-to-use and healthy product with Finnish, gluten-free oats as the main ingredient. Härkis® Oat Mince products do not require learning any new recipes; people can use the mince in their own favourite recipes: the lightly seasoned mince is perfect for a pasta bake, texmex-flavoured for burritos and curry-flavoured for sauces, just to name a few options.

Certification and continuous improvement

All 2022 certification audits were carried out on schedule, and the findings of the audits were addressed with corrective actions within the given time frame.

During 2022, we obtained the BRC food safety certificate for our plant-based products production facility located in the Raisionkaari industrial area. In the very first audit, this new factory was given the highest certification rating of AA. All our BRC-certified production facilities achieved at least an A rating in their audits. All our facilities that use chocolate were audited in 2022 according to the Rainforest Alliance standard.

During the year, an exercise was carried out to test the product recall process and traceability in all of Raisio's production facilities.

In August, we carried out one public recall: in Finland we recalled Beanit® fava bean mince umami in 250 g packages. The reason for the recall was that one batch was found to contain *Listeria monocytogenes* bacteria, or listeria, during self-monitoring. Investigations and samples showed that the listeria had entered the product from a specific, individual packaging line during packaging and did not originate from the raw materials. Investigations revealed that the listeria problem was limited to products packaged in our subcontractor's separate production facilities, and the problem was localised in the subcontractor's production facility. The premises were extensively cleaned and sampled before packaging was restarted. Furthermore, several precautionary measures and additional sampling were agreed on with the subcontractor when the packaging was restarted.

CERTIFICATIONS OF RAISIO'S PRODUCTION SITES

- Quality Management System ISO 9001
- Environmental Management System ISO 14001
- BRC or FSSC 22000 food product safety certificate at all food production plants
- Mills certified for organic production
- Kosher certificates at some food production plants
- Halal certificates in the Benecol® ingredient production and the Nokia mill's and Kauhava plant's production
- RSPO Supply Chain certificate at the Nokia mill
- Certified Gluten Free label for the Nokia mill's production of gluten-free oats

Raisio's criteria for healthy food

FATS	Margarines, vegetable oil spreads	• Saturated fat ≤ 30% of fat • Salt ≤ 1.0 g/100 g
DAIRY PRODUCTS	Yogurt drinks	• Saturated fat ≤ 0.4 g/100 g • Sugars ≤ 6.0 g/100 g
	Yogurt, quark	• Saturated fat ≤ 1.0 g/100 g • Sugars ≤ 10.0 g/100 g • Salt ≤ 0.25 g/100 g
	Soft cheese	• Fat ≤ 15.0 g/100 g (if more than 15.0 g/100 g of fat, Saturated fat ≤ 33% of fat) • Salt ≤ 1.2 g/100 g
CEREALS	Flakes, flours, pasta, barley	• Fibre ≥ 6.0 g/100 g
	Breakfast cereals, mueslis	• Fat ≤ 15 g/100 g • Saturated fat ≤ 30% of fat • Salt ≤ 1.0 g/100 g • Sugars ≤ 15 g/100 g • Fibre ≥ 6.0 g/100 g
	Instant porridge (after preparation)	• Saturated fat ≤ 33% of fat • Salt ≤ 0.30 g/100 g • Sugars ≤ 7.0 g/100 g • Fibre ≥ 1.0 g/100 g
	Biscuits, bars	• Fat ≤ 20 g/100 g • Saturated fat ≤ 30% of fat • Salt ≤ 1.0 g/100 g • Sugars ≤ 23 g/100 g • Fibre ≥ 6.0 g/100 g
	Bread	• Saturated fat ≤ 20% of fat • Salt ≤ 1.1 g/100 g • Fibre ≥ 6.0 g/100 g
PLANT-BASED PRODUCTS	Unsweetened drinks	• Saturated fat ≤ 0.4 g/100 g • Sugars ≤ 5.0 g/100 g • Salt ≤ 0.13 g/100 g
	Flavoured drinks	• Saturated fat ≤ 0.4 g/100 g • Sugars ≤ 6.0 g/100 g
	Spoonable products (yogurt alternatives)	• Saturated fat ≤ 1.0 g/100 g • Sugars ≤ 10 g/100 g • Salt ≤ 0.25 g/100 g
	Food preparation products (e.g. those used in the style of cooking cream)	• Fat ≤ 15.0 g/100 g • Saturated fat ≤ 33% of fat • Salt ≤ 0.75 g/100 g
	Plant-based protein products	• Fat ≤ 8.0 g/100 g, or fat ≤ 10.0 g/100 g and saturated fat ≤ 33% of fat • Salt ≤ 1.0 g/100 g
	Ready meals	• Fat ≤ 2.0 g/100 g, or fat ≤ 8.0 g/100 g and saturated fat ≤ 33% of fat • Salt ≤ 0.75 g/100 g

We aim to be an attractive employer

We have continued on the journey of change that we started in 2021, with the aim of strengthening our shared, new corporate culture and developing common ways of working to support our strategy in practice.

In May, we carried out a staff survey covering the whole Group and all its operations. The response rate to the survey was a very high 85%.

The results of the staff survey show that the employee experience is at a stable level. Satisfaction indicators have mainly improved compared to the previous large-scale survey, and our employees answered the survey questions more positively than average, compared to other companies.

Based on the survey results, Raisio's absolute strength is managerial work. Performance in this area has improved compared to the previous survey and is mostly even above the performance of the benchmark companies. In addition to managerial work, responsibility receives positive ratings, as the statement 'Raisio acts responsibly' is among the highest rated. Respondents were more critical about the smoothness of cooperation within Raisio, opportunities for development and the realisation of the values of inspiration and courage.

Another pleasing result is that we do not have any active cases of bullying or discrimination in our organisation, as Raisio has a zero tolerance policy towards such behaviour.

The likelihood of recommending Raisio as an employer is at a moderate level. The metric for this, the Employee Net Promoter Score (eNPS), has fallen to 19 from the previous pulse survey's 34.

Diversity and inclusion

One of the primary goals of our responsibility programme is to support diversity and inclusion, and to achieve this, we have launched work to create a Diversity, Equity & Inclusion Plan. This is a very broad topic, and our first step is to define together what we at Raisio mean by diversity and inclusion. Only then can we move forward with drawing up a plan and defining objectives.

Work on the DEI Plan started in 2022, but did not progress as far as we had planned. The work will continue in 2023.

FOOD PROFESSIONALS
– PRIMARY GOALS FOR 2022–2025

- We will strive for an excellent employee experience. We enjoy our work and are proud to be part of the future of the international Raisio.
- We support the healthy lifestyles and well-being of our employees.
- We support diversity and inclusion by offering equal opportunities for everyone.

Towards a healthy lifestyle

We have introduced the Cuckoo workout app, which is available in all countries. Cuckoo is a gamified well-being app that encourages people to take breaks through activities such as short break exercise videos, giving the body a break from sitting and the brain a rest. The Cuckoo app offers a wide range of effective, refreshing exercise breaks. Most are around three minutes long, so they are easy to fit into the workday.

As a way to encourage healthy lifestyles while also being environmentally friendly, we introduced a company bike benefit in Finland. A company bike is a bicycle rented at the employer's expense. This bike is intended for the personal use of the employee for commuting and travel during work and leisure time. The company bike benefit applies to all standard and electric bicycles (up to 25 km/h and 250 W).

We will continue to develop our corporate culture

In summer 2022, we launched a comprehensive and long-term change programme to develop the company's business, accelerate growth and improve profitability, and a large number of Raisio employees have been working on it. The change programme is supported by the Walk the Talk programme launched last year, which focuses in particular on developing Raisio's corporate culture.

In the Walk the Talk programme, 11 ideas were selected for implementation to promote a sense of community, trust and psychological safety within the organisation; share knowledge and engage employees; and clarify the shared vision and strategic objectives.

The task of Raisio's culture team is to promote the implementation of the selected ideas and monitor the development of the culture.

Culture team brings together Raisio employees from many countries and across the organisation

The members of the culture team have been chosen to represent the different activities of Raisio as comprehensively as possible:

- The members work in different functions and at different levels of the organisation.
- 40% of the members work outside Finland.
- None of the members are in the Group's Executive Committee.

Principles and risks

According to the Raisio Code of Conduct, we comply with the regulations of the International Labour Organization (ILO) and with local collective agreements, regulations and laws related to work in the countries where we operate. Management is also guided by internal policies and plans for competence development and equality, for example.

In terms of social and HR matters, we consider serious workplace accidents and the stability and availability of competent employees to be our main risks. Risks are managed by developing the occupational safety culture and by determinedly promoting competence management and well-being at work.

In Finland, we use the Superior's Compass, which is a tool provided by Mehiläinen for the early intervention model. It facilitates the detection of risks to work ability and helps in the monitoring of long sickness absences and short recurring ones, and the workplace accident process. The tool provides supervisors with real-time information and, thus, helps them act in accordance with the early intervention model. The tool is also an easy and secure way to contact the occupational health service.

Safety comes from action

A key part of strengthening occupational safety culture is proactive occupational safety work. As indicators of proactive occupational safety work, we use safety observations, safety quarters, near miss reports, safety rounds and work risk and hazard assessments. Furthermore, the investigation process of each accident includes the definition of corrective actions, open communication within the organisation and peer learning.

The safety rounds monitor the working environment from a safety perspective, and the aim is to carry out these safety rounds once a month at each production facility.

The work done to develop a culture of occupational safety is reflected in the number of proactive safety measures, which has doubled compared to 2021. The most significant increase was in the number of safety observations and safety quarters. A total of 904 preventive safety measures were taken (2021: 452, 2020: 152). This change can also be seen in the increase in reporting activity, the increased importance of accident investigations and the significant increase in the number of corrective actions taken following accidents in recent years.

Proactive safety work, such as the safety rounds, leads to safety-enhancing tasks, in which the measures to be taken are always assigned a person responsible and a timetable for completion. Indeed, safety comes from action: during 2022, a total of 662 safety improvement measures/tasks were assigned under our safety system.

Our aim is to further increase the amount of proactive safety work, as it is well known that measures such as the recording of safety observations and related corrective actions clearly reduce the number of accidents at work.

In 2022, the number of accidents decreased significantly, as the number of accidents at work resulting in one or more days of absence was 4 (2021: 12, 2020: 10). This also led to a positive development in our lost-time injury frequency rate (LTI1), which in 2022 was 6 (2021: 19, 2020: 17).

As the COVID-19 restrictions were lifted, we invested in safety training in 2022. As part of proactive occupational safety work, a two-day safety training course was organised for the personnel of the ester plant in cooperation with the Safety Center in Pori. The training focused on fire safety and accidents involving dangerous substances. The instructors were experienced fire and rescue professionals.

Our employees in figures

Russia's invasion of Ukraine has caused concern and major changes in our company as well. Raisio has three local employees in Ukraine, and the safety and living conditions of them and their families in the midst of war are on everyone's minds.

After Russia launched its war of aggression in Ukraine, we suspended all exports to Russia in March 2022. After that, we started working towards divesting our business in Russia.

In April, we sold OOO Raisio Nutrition, the subsidiary responsible for our Russian business in Russia, to the Russian company Copacker Agro Ltd, so Raisio no longer has any employees in Russia.

When we stopped exporting to Russia, the Group's Raisioaqua Ltd also stopped exporting to the country. As the fish feed business is neither part of Raisio's core activities nor one of the company's strategic areas of focus, preparations for the sale of Raisioaqua Ltd were launched in May. Raisioaqua employs around 30 people.

The Raisio Group's continuing operations employed 344 people at the end of 2022 (2021: 388, 2020: 342). A total of 14 (2021: 19, 2020: 19) per cent of employees worked outside Finland. The employee figures for 2022 no longer include the employees of Raisioaqua Ltd, even though the company was still part of the Raisio Group at the end of the year, as the figures only include continuing operations. However, the figures for previous years have not been made comparable.

50.2% of employees are covered by collective agreements. Directors and senior salaried employees are not covered by collective agreements. Senior salaried employees have a separate agreement with the employer.

Raisio's wages and fees for continuing operations in 2022 totalled EUR 24.6 (2021: 27.4; 2020: 24.8) million including other personnel expenses.

EMPLOYEE DATA	2022*	2021	2020
Employee turnover (%)	13.4%	9.3	10.4
New employees (HC)	55	42	46
in Finland	41	32	38
in other countries	14	10	8
Leavers (HC)	37	30	26
in Finland	25	28	18
in other countries	12	2	8
Average age of employees	44.8	45.6	46.1
Accidents (LTI1)	4	12	10
Accident frequency / million working hours	6	19	17
Proactive work safety measures	904	451	152
Sickness absences of theoretical working hours (%)	3.6	2.2	2
Appraisal and development discussions (%)	81.1	95.9	97.0
The CEO-to-average-worker pay ratio, excluding other personnel expenses and fees	9:1	9:1	9:1

*2022 figures include only continuing operations, not Raisioaqua's figures

In the Employee data table, the injury figure is LTI1 (Lost time injury 1); the figure includes injuries that have resulted in either one or more days of absence. The figure for proactive work safety measures includes safety observations, near misses, safety quarters, work risk and hazard assessments, and safety rounds.

RAISIO GROUP EMPLOYEES AT THE END OF THE YEAR	2022				2021	2020
Headcount	women	men	unknown	total		
number of employees	192	152		344	388	342
permanent employees	178	146		324	368	331
fixed-term employees	14	6		20	20	11
employees called in as needed (zero-hour contract)	1	3		4		
full-time employees	185	147		332	373	335
part-time employees	7	5		12	15	9
managerial positions	31	37		68	67	61
Executive Committee	4	4		8	8	6
Board of Directors	2	3		5	5	6

EMPLOYEES AT THE END OF 2022 BY COUNTRY

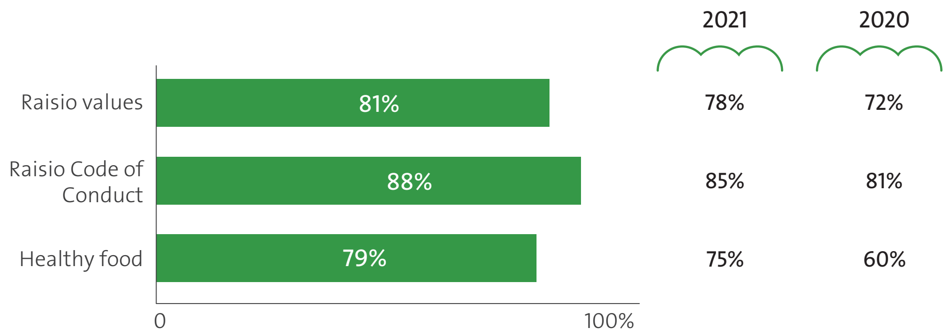
Headcount	Finland	UK	Poland	Other
number of employees	295	19	17	13
permanent employees	278	17	17	12
fixed-term employees	17	2	0	1
employees called in as needed (zero-hour contract)	4	0	0	0
full-time employees	283	18	17	12
part-time employees	12	1	0	1

OTHER PEOPLE WORKING FOR RAISIO

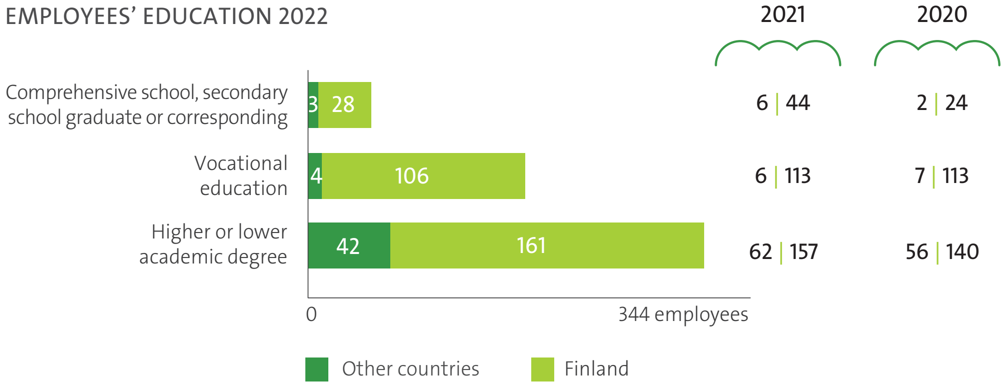
Headcount	2022
People not directly employed by Raisio: agency workers, apprentices and trainees	5

EMPLOYEES WHO HAVE COMPLETED ONLINE TRAINING 2022

The online training courses are part of the induction package for new employees.



EMPLOYEES' EDUCATION 2022



Energy efficiency to secure energy sufficiency

We take environmental impacts extensively into account across our operations, with a particular focus on carbon neutrality, environmental friendliness and material and energy efficiency. In 2022, we also started to carry out Scope 3 calculations and work to reduce emissions in the value chain.

We are constantly looking for new ways to improve energy efficiency and save on electricity. Energy saving is always a factor when we invest in equipment, as more advanced equipment also often consumes less energy.

Switch to LED lamps

We are switching to LED lamps for both indoor and outdoor lighting, one building and area at a time. For example, in the Raisionkaari industrial area in Raisio, more than 90% of the outdoor lighting has already been replaced with LED lighting. The changeover to LED lamps will continue in all the Group's buildings and locations in 2023.

Compared to traditional light bulbs, LED lamps consume only about a fifth of the electricity. At Raisio, this means that when the changeover is completed, we will save around 500 MWh of electricity per year. This is equivalent to the annual electricity consumption of about 25 electrically heated detached houses.

Raisio's bioenergy solutions proving their worth

The bioenergy solutions implemented in Raisio's factories in recent years have proven their worth in the face of energy challenges. One of the key objectives of our responsibility programme is to make our own production carbon-neutral. In 2022, 98% of the energy used by the Raisio Group was carbon-neutral.

ENVIRONMENT & CLIMATE ACTION
– PRIMARY GOALS FOR 2022–2025

- All Raisio's own production is carbon neutral by the end of 2023.
- We will report the (scope 3) CO2 emissions of Raisio's value chain for 2022 and set a timetable and targets to reduce them.
- We will reduce food loss and waste as well as utilise production sidestreams throughout the value chain.

The last missing piece in our efforts to make our own production carbon-neutral is the Kauhava factory. At the end of 2022, we already reported that the Kauhava factory had switched to biofuel for steam production during the autumn, but this was not the case. After the turn of the year, it was revealed that the Kauhava factory was still running on fossil fuel in the autumn, and biofuel was not expected to be used for steam production until January 2023. Therefore, it is still our goal to make the Kauhava factory carbon-neutral by the end of 2023.

The Nokia mill and the Raisionkaari area have already achieved carbon neutrality. In summer 2021, a heating plant was commissioned at the Nokia mill, which utilises oat hulls, a side stream of the mill's processes, to produce heat and steam. In just a short time, the heating plant has proven to be a good way to ensure not only a responsible but also a cost-effective energy supply. With the commissioning of the heating plant,

What is carbon-neutral production?

Carbon neutrality refers to a situation in which the net greenhouse gas emissions are zero. Carbon-neutral energy is produced without fossil fuels. For example, bioenergy is carbon-neutral because the biomass has sequestered the same amount of carbon dioxide during its life cycle as is produced by burning it. In order for our production to qualify as carbon-neutral, all of the electricity, heat and industrial steam we use must be produced with carbon-neutral energy.

Raisio's own production facilities are no longer dependent on natural gas. The Nokia mill's heating plant also produces heat beyond our own needs: the surplus waste heat from the mill is utilised in Leppäkosken Lämpö's district heating network in Nokia. The amount corresponds to the annual heating needs of around 150 detached houses. The old heating plant at the Nokia mill site remained in the area as a backup and peak energy plant and started using biogas as fuel in spring 2022. If biogas were not available, the backup plant could also use natural gas as its energy source.

The Raisionkaari industrial area has already been carbon-neutral since 2018, with heat and steam from the area's own bioenergy plant.

Energy efficiency is an important part of the Raisio Group's corporate responsibility programme, and we have been involved in the Energy Efficiency Agreement for Industries since 2008. The agreement is currently in its second period, and the goal is to reduce energy consumption by 7.5 per cent by the end of 2025. The comparison is based on the 2015 level.

Room temperatures down by one degree

In the spirit of the energy saving efforts of winter 2022–2023, we have also lowered the room temperatures in our offices. The buildings are not identical, so the temperatures are adjusted on a building-by-building basis. For example, our head office in Raisio has lowered its room temperatures by 1.5 degrees Celsius. We estimate that the lowering of room temperatures will result in at least 5% savings in heating energy compared to 2021 levels. This estimate is based on data from Motiva's Down a Degree campaign.

THE ORGANISATION'S ENERGY CONSUMPTION	2022	2021	2020
Our own energy production			
non-renewable fuels (diesel) MWh	1,000	1,000	0
renewable fuels (wood chips) MWh	53,000	55,000	51,000
Our own energy production in total	54,000	**56,000**	**51,000**
Purchased energy			
electricity MWh	44,000	47,000	34,000
heat and steam MWh	13,000	10,000	7,000
Purchased energy in total MWh	57,000	**57,000**	**41,000**
Sold energy MWh			
electricity MWh	11,000	-6,500	
heat and steam MWh	22,000	-11,500	-11,000
Sold energy in total	-33,000	**-18,000**	**-11,000***
Our own energy consumption in total MWh**	78,000	**95,000**	**81,000**
Energy MWh / tonne produced	0.7	**0.65**	**0.57**

*For 2020, only heat and steam sold are reported. The energy consumption figures include the electricity, steam and heat consumption of Raisio's own properties and production plants.

** Total own energy consumption = own energy production + purchased energy - sold energy

CO_2E EMISSIONS (SCOPE 1 AND 2)	2022	2021	2020
Direct CO_2e emissions, tonnes	200	200	0
Indirect CO_2e emissions, tonnes (market-based)	50	800	1,400
Total CO_2e emissions, tonnes	250	1,000	1,400
Total CO_2e emissions, t / tonne produced	0.002	0.007	0.010

The figures for 2022 and 2021 have been assured. You can find KPMG's independent assurance report on page 41. We report the direct (Scope 1) and indirect (Scope 2) carbon dioxide emissions of our operations for properties and production plants owned and managed by Raisio. The calculation is based on the GHG Protocol standard and describes market-based carbon dioxide emissions. The emission coefficients used are those published by Motiva and, where available, the coefficients specific to the energy production plants. Heat and steam are not reported separately because not all of the plants measure them separately. The figures do not include biogenic CO2e emissions. Location-based emissions data has not been reported. The reduction in Scope 2 carbon dioxide emissions compared to 2021 was due to the new heating plant at the Nokia mill.

We produce more from less

Our aim is to use materials efficiently: to produce more from less, while respecting the environment.

The aim of material efficiency is to reduce the environmental impact of food production, distribution and consumption. Raisio's material efficiency work focuses on packaging made from renewable materials, the reduction of food loss and food waste, and better utilisation of production side and waste streams.

In 2022, we carried out a material efficiency survey with Motiva at our Nokia mill, where material flows are high. The survey gave us more accurate information on the amount of waste and side streams and their value, which helps us prioritise measures. The survey also led us to conclude that our ongoing and planned measures are taking us in the right direction to reduce waste, but it also generated new ideas for implementation.

Aiming to reduce the amount of waste

We reformed the waste management at Raisio's factories in 2021 and continued the reform in 2022. Together with our waste management partner, we are constantly developing ways to improve recycling and make use of our side streams.

Our main goal is to reduce the overall amount of waste and find new ways of recovering our side streams. Another goal is to increase our recycling rate to 85% by the end of 2025. In 2022, our average recycling rate was just under 80%.

We use the Quentic system to record our environmental observations. In the system, we record both what has happened, so that we can collect the data, and ideas for improvement regarding issues such as environmental concerns, wastage and waste.

WASTE	2022	2021	2020
Non-hazardous waste			
Recycling and reuse, tonnes	2,555		
Other recovery*	550.5	4,454*	2,143*
End treatment, tonnes	71.5	262	53
Hazardous waste			
Recycling, tonnes	10	264	304
End treatment, tonnes	27	32	75
Total waste			
Total waste, tonnes	3,214	5,013	2,575
Total waste, kg / tonne produced	29	34	18

* 'Other recovery' for 2020 and 2021 also includes recycling and reuse.

In 2022, our recycling rate was 79.5%. Our goal is to reach 85% by the end of 2025.

Continuous development

Food waste is generated in all parts of the food chain, including our factories. Factories also generate so-called side streams – material that is not needed in the product itself, but could be used elsewhere. If the production process changes, the side stream may also change. Therefore, reducing waste and making efficient use of side streams requires continuous monitoring and development.

During 2022, we have been looking more closely at our production side streams and their potential uses with various partners. Some of our side streams are already being used efficiently, but much remains to be done. We prioritise projects related to side streams based on factors such as the amount of the side stream and the value tied up in it. With the help of the material efficiency survey, we gained more tools to help us determine the value tied up in our side streams. As a rule of thumb, the later in the process a side stream is generated, the more value is tied up in it in terms of energy and working hours.

Reducing food loss and waste and making use of side streams are among our key environmental and climate objectives.

- **Food loss** = All losses and waste associated with a raw material originally intended for food.
- **Food waste** = Any wasted food that is clearly edible, which in the food industry means packaged products.

Risks

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

We operate in accordance with the rules and regulations. No significant environmental damage was identified at our locations, and the Group received no fines or sanctions for violations of environmental legislation in 2022.

Water

We use water for production processes and the production of industrial steam, among other things. Around half of the water we consume is used on the company's own energy production, i.e. the production of industrial steam. The other half of the water is used for production processes. Industrial steam is widely used in our production and the heating of buildings. Water usage is monitored regularly and the aim is to further reduce it.

Water use and wastewater volumes vary greatly between Raisio's different plants. Consequently, variations in production volumes greatly affect water consumption and the amount of wastewater at the Group level.

All of our own production plants are located in areas where water availability and purity are at good levels. The water used by the production plants in the Raisionkaari industrial area is artificial groundwater from the municipal water supply. Wastewater from all the plants and offices is conveyed through the municipal sewer system to the wastewater treatment plant. In the Raisionkaari industrial area, wastewater is first treated in the company's own wastewater pre-treatment plant.

WATER AND EFFLUENT	2022	2021	2020
Water use			
Water, 1,000 m^3	194	201	145
Water, m^3 / tonne produced	1.76	1.4	1.0
Effluent			
Effluent, 1,000 m^3	93	91	41
Effluent, m^3 / tonne produced	0.85	0.62	0.30

CASE

Crop residues were put to energy use

In early 2022, the production process at the Nokia mill changed in such a way that the side stream from the pre-cleaning of grain was no longer suitable as biowaste for the biogas plant. A by-product study was launched to find new uses for the pre-cleaning residue, which contains grain dust, straw, soil and grains.

The residue was granted the by-product permit required by law in the summer, and now it can be used efficiently: it is sold to another industrial company that uses it for heating in its production process.

Selling the residue for energy use significantly reduces the amount of waste generated by the Nokia mill, and the reduction is also reflected in the figures for the Raisio Group as a whole: the estimated annual waste volume for the Group as a whole is reduced by almost a fifth. Now that the residue has a by-product status, it will be easier to find other uses for it in the future.

CASE

Meaty umami flavour from side streams

In spring 2022, we agreed on a collaboration with Nordic Umami Company to explore the potential of Raisio's plant-based side streams for the production of natural umami. The aim is to return the end products from the side streams back to Raisio.

The project makes extensive use of the side streams generated from the production of Raisio's factories. The primary goal is to find new uses for the side streams as a raw material for food. Another goal is to be able to use the resulting plant-based umami in Raisio's own products as well.

Nordic Umami Company develops sustainable flavour innovations from the side streams of the food industry. The company focuses on vegan umami products, producing the 'meaty' taste missing from plant-based proteins. The technology developed by Nordic Umami Company to produce umami from various plant-based raw materials is based on nature's own processes. A patent application has been filed for the technology.

OUR ESTABLISHED PRACTICES

Heat from oat hulls to the district heating network

The Nokia mill's heat and steam production uses oat hulls, a side stream of the mill's processes, as an energy source. Sometimes the plant even generates more heat than the mill needs, so the surplus heat is utilised in Leppäkosken Lämpö's district heating network in Nokia.

Other uses for flakes containing gluten

Our mill in Nokia produces gluten-free oat products on their own production line. The production process includes a number of different purification steps and quality assurance points to ensure that the oats used in the production of gluten-free products are at least as pure as pure oats. To verify that the products are gluten-free, several samples are taken at regular intervals from each production batch. Sometimes it can happen that the analyses show that a batch contains gluten, in which case the batch is not used at all for gluten-free products. However, this creates no waste because the batch is then used as a raw material for products that are not gluten-free.

Animal feed

We make extensive use of production side streams: the oat hulls that are not needed for steam and heat production at the Nokia mill are sold for animal feed production. The mixed flour from the Raisio mill's process is also used as a raw material for animal feed.

Charity

If it happens that our production yields products that are edible but do not meet all our quality standards in terms of labelling, for example, they cannot be sold in shops. For such cases, we have signed a cooperation agreement with Operaatio Ruokakassi in Finland. With Ruokakassi, the product information is completed with stickers, for example, and the products are distributed to charity in food bags. Raisio has been cooperating with Operaatio Ruokakassi for many years.

Fava bean mince

At our Kauhava factory, the production of Härkis® fava bean chunks also creates a finer fava bean mince, which is packed into boxes and served to people as... well, fava bean mince!

Work to reduce indirect CO_2 emissions started

In cooperation with Natural Resources Institute Finland (Luke), we have calculated our indirect carbon dioxide emissions, i.e. Scope 3 emissions. The calculation is based on the Scope 3 guidelines of Greenhouse Gas (GHG) Protocol.

It includes indirect emissions related to our activities, originating from emission sources that are not owned or controlled by the company. Upstream emissions include indirect emissions before the manufacture of products, and downstream emissions include indirect emissions after the manufacture of products.

Our Scope 3 calculation shows that most of our Scope 3 emissions come from the production and cultivation of raw materials, which is typical for the food industry. Grains, our main raw material, account for almost 70% of the total CO_2 emissions.

The calculation confirms our view that in the future we need to work more closely with the supply chain, and primary producers in particular, to reduce overall emissions. This will require long-term work, as the effects of the changes will be felt with a delay and annual yield variations in farming are large.

Calculated partly by Luke, partly by ourselves

Natural Resources Institute Finland calculated the CO_2 emissions from purchased products and services and the transport of purchased raw materials, products and services.

We, in turn, calculated the emissions from waste, commuting, product use and package recycling. We wanted to examine these too, so that we could understand their contribution to the overall picture. The calculations show that their significance in the overall picture is small.

RAISIO PLC'S SCOPE 3 CARBON FOOTPRINT IN 2022

Distribution of indirect CO_2 emissions	%
Purchased products and services	96
of which grains	68
Transport of purchased raw materials, products and services	2.4
Product use	0.6
Package recycling	0.4
Waste	0.3
Commuting	0.3
Total	100

Calculation of use-phase emissions

When calculating the use-phase emissions of products, we used our existing product categories, such as drinks, pasta, flakes and bran, and flour.

We looked at the use of products from two perspectives: storage and preparation.

In terms of storage, we assessed what kind of storage the product requires and how much energy it takes to store the product. The storage options were room temperature, freezer and refrigerator storage. The storage option was chosen according to the instructions on the packaging. The storage of products stored at room temperature does not consume energy, so their CO2 emissions in this respect were calculated as 0. The energy consumption of refrigeration and freezing is also affected by the storage period, which was defined based on the shelf life of the product. For cold storage, an average energy consumption was calculated, which was used to calculate the CO2 emissions.

In terms of product use, CO2 emissions are affected by whether the product is used as such or in food preparation. The products may be used in many ways, and we decided to carry out the calculation based on the recipe or instructions on the packaging of the product with the highest volume in each category. For preparation, emissions were defined either by the amount of energy needed to prepare the product in the oven or the amount of energy needed to boil water in the preparation of products that need to be boiled in water.

What are the sources of CO2 emissions?	Tonnes of carbon dioxide, tCO2e	What did we include?
Indirect emissions before the manufacture of products (upstream)		
Purchased products and services	89,000	Includes raw materials and packaging of products and subcontracted products.
Transport of purchased raw materials, products and services	2,200	Includes transport of raw materials and packaging materials.
Waste	250	CO2 emissions from the transport, disposal and recycling of waste generated at our own sites.
Commuting	250	CO2 emissions from employees travelling between home and work. The calculation is based on the commuting of our employees in Finland.
Indirect emissions after the manufacture of products (downstream)		
Product use	600	Emissions from food preparation and storage. Only includes consumer products.
Package recycling	350	CO2 emissions from the recycling of packaging materials.
Total	**92,650**	

The calculation includes continuing operations, so matters related to Raisioaqua have not been included in the calculation.

Carbon footprint of Elovena® Oat Drink Barista

Elovena® Oat Drink Barista is made from Finnish gluten-free oats with carbon-neutral energy in Raisio, Southwest Finland. The same factory also produces oat-based drinks, spoonable snacks and cooking products under the Elovena® brand. All the electricity, heat and industrial steam we use is produced with carbon-neutral energy: the heat and steam for the factory comes from our own bioenergy plant, which uses wood chips, a renewable energy source, and the electricity comes from carbon-free sources, meaning that it is produced without fossil fuels.

However, the carbon footprint reflects the entire life cycle of the product, and we have also taken steps to reduce our overall carbon footprint: making efficient use of production side streams, increasing the use of renewable and recycled materials in packaging, minimising waste and sourcing our grain raw materials locally. To reduce the overall carbon footprint, we need to cooperate with the whole supply chain!

We have calculated the carbon footprint of Oat Drink Barista 1l, representing the climate impact of the product throughout its life cycle, from grain cultivation to retail storage. The carbon footprint calculation includes the life cycle greenhouse gas emissions of the product, including CO_2 (carbon dioxide), CH_4 (methane) and N_2O (nitrous oxide) converted to carbon dioxide equivalents (CO_2e). In other words, the carbon footprint is the total amount of greenhouse gases produced during the life cycle of a product, converted into carbon dioxide (CO_2e).

The calculated carbon footprint of Elovena® Oat Drink Barista 1l is 0.32 kg CO_2e per kg of packaged product, of which 0.25 kg CO_2e is attributable to the drink, 0.05 kg CO_2e to the packaging and 0.02 kg CO_2e to the transport of the finished product. The figure we have calculated is the number of kilograms of CO_2e generated per packaged Oat Drink Barista.

The calculations were carried out for us by an independent expert organisation, VTT. It based its calculations on ISO standards (ISO 14040, ISO 14044 and ISO 14067) and used the CML 2001 method for greenhouse gas impact assessment.

The carbon footprint calculated for Oat Drink Barista is relatively small, but nonetheless we are constantly working to further reduce the carbon footprint of our products. There are many methods of calculation, so we are keeping a close eye on the issue and will make refinements and changes to the methodology as needed.

The composition of the carbon footprint

In our carbon footprint calculation, we have tried to take into account the entire life cycle of the product as comprehensively as possible. Our calculation includes the impacts from primary production to retail storage.

Most of the product's climate emissions come from the cultivation of oats. In addition to the production of oats (55%), the product's carbon footprint is affected by various other emissions, including those from other raw materials (22%), packaging (18%) and transport (5%). In the figure below, you can see which factors contribute to the carbon footprint of the product and in what proportions. The larger the element in the picture, the greater the impact on the carbon footprint. For example, factors related to the primary production, or cultivation, of oats are many times more significant than those related to water.

The carbon footprint calculation of a single product, such as Elovena® Oat Drink Barista, is one way to test and monitor in practice how the Scope 3 emission reduction measures are working.

Finnish grains are our main raw material

In the past, we have mainly looked at the responsibility of our raw materials from an environmental perspective and through the risk classification of countries, but the events of 2022 have prompted us to broaden our analysis of the risks of raw materials.

The year 2022 has highlighted more aspects related to labour-intensive raw materials. The Russian invasion of Ukraine caused major changes in Europe, and the employment of war refugees in labour-intensive agricultural jobs has raised a debate about the potential human rights risks in countries not perceived as risk countries. The debate has also turned to the conditions of foreign berry pickers in Finland.

We promote the responsibility of our supply chain by means such as supplier self-assessments and audits, which focus on the suppliers' practices and certifications; ensuring traceability; and using raw materials certified for responsibility. When sourcing raw materials, we use the BSCI risk classification of countries, which guides us to source from low-risk countries.

For us, it is essential to commit our supply chain to the Raisio Supplier Code of Conduct. By the end of 2022, 99.8 (2021: 99.8, 2020: 95) per cent of the value of all direct procurements was procured from suppliers who have committed in writing to Raisio's Supplier Code of Conduct or whose own ethical principles have been approved by Raisio.

The vast majority, 94 (2021: 88) per cent, of the raw materials used in our products are plant-based. Grains – such as oat, wheat and rye – account for 88 (2021: 75) per cent of our raw materials. 97% of the grain we use in our food production is Finnish. Finnish grain farms are traditionally family farms that use very little outside labour, so the human rights risks for our main raw materials are low.

SUSTAINABLE FOOD CHAIN
– PRIMARY GOALS FOR 2022–2025

- We continue to develop the responsibility of our entire supply chain by assessing the human rights impacts of the supply chain and minimising the risks.
- We minimise the negative environmental and climate impacts of our raw materials.
- We nurture and promote biodiversity in cooperation with our suppliers and stakeholders.

RAW MATERIALS USED FOR RAISIO'S PRODUCTS

	2022	2021	2020
Grains	88%	75%	74%
Fish meal and fish oil	**	7%	7%
Oils and fats	2%	5%	6%
Milk	6%	5%	5%
Plant proteins	0.3%	4%	4%
Soy	0.2%	*	*
Cocoa and chocolate	0.1%	*	*
Palm oil	0.2%	*	*
Berries and fruit	0.6%	*	*
Other*	3%	4%	4%

* Raw material reported in 2020 and 2021 under Other.
** Raw material not reported for 2022 as we only report raw material for continuing operations.

We report the raw materials used to manufacture our products for both our own and our subcontractors' production. All Raisio's subcontractors are located in Europe.

Soy, palm oil and cocoa make up a small proportion of raw materials

Based on our risk assessments, soy, palm oil and cocoa are high-risk raw materials. In their production, risks related to issues such as workers' rights and environmental responsibility have been identified as higher than with other raw materials we use. We minimise this risk by procuring responsibility-certified soy, palm oil and cocoa. However, these three raw materials account for a relatively small proportion of the total raw materials we use: soy accounts for 0.2% of our total raw materials, palm oil for 0.2% and cocoa and chocolate for 0.1%.

All soy used by us has been responsibility-certified since 2014 and palm oil since 2015. We have systematically worked to reduce the number of products containing palm oil; for example, we have replaced palm oil in biscuits with rapeseed oil. We mainly use palm oil in spreads. For them, no good alternative to palm oil has been found with similar quality characteristics. Palm oil is needed in spreads due to the product's texture.

The cocoa and chocolate we used in 2022 were almost entirely Rainforest Alliance (formerly UTZ) certified: certified cocoa and chocolate accounted for 99 (2021: 94) per cent. We use cocoa and chocolate in instant porridges, snack biscuits and drinks, among others. The availability of certified cocoa and chocolate has been exceptionally challenging in 2022.

Berries and fruit added to the risk raw materials list

Although the proportion of berries and fruit in our total raw materials is small – 0.6% – we added them, as well as their purees, jams and concentrates, to the list of risk raw materials in 2022. Their classification as risk raw materials is not based on country classification or an individual raw material, but on the fact that their collection and cultivation is highly labour-intensive and thus introduces the possibility of human rights risks even in countries that are not generally classified as risk countries.

To minimise the risks, we review the processes of our partners who supply us with berries, fruit and their purees, jams and concentrates to ensure the responsibility of their raw materials and related sourcing. Raw material supply chains are long, making it difficult to get to the source of possible problems.

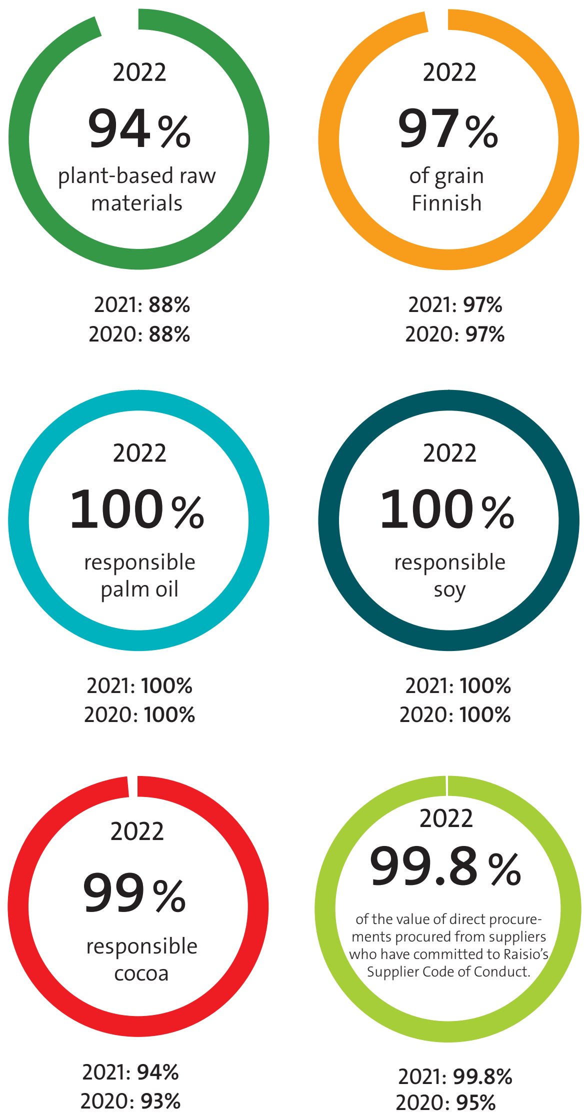
The year 2022 has shown that radical changes in the global operating environment have a major impact on the sourcing of raw materials: Since the Russian invasion of Ukraine and the prolongation of the war, raw material prices have risen and availability has deteriorated. This makes various types of abuse more attractive, as the financial gains from them increase. In this changing operating environment, the responsible sourcing of raw materials and also the assessment of potential new risks are areas of continuous development for us. Addressing these challenges requires cooperation across the entire raw material chain.

Respect for human rights

Respecting human rights creates a base for our values and our Code of Conduct that guide our day-to-day work. We operate in accordance with the Global Human Rights Policy defined for the Raisio Group. We apply the Global Human Rights Policy in all Raisio Group companies worldwide.

In the summer of 2022, we organised a training course on human rights for all of our employees.

We require all our suppliers and subcontractors to monitor the implementation of human rights in their operations and work with suppliers and subcontractors to ensure that human rights are respected throughout the supply chain. All Raisio's suppliers and subcontractors have to sign the Raisio Supplier Code of Conduct. When necessary, we use various tools to assess human rights risks and impact and to identify actual and potential human rights problems. We audit suppliers and subcontractors regularly. Matters related to human rights are also examined through a Supplier



Self-Audit form. The form is submitted to Raisio at regular intervals and always before starting as Raisio's supplier or subcontractor.

We have integrated social responsibility and human rights issues as an integral part of our audits, and social responsibility issues are part of the question battery of our audits.

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

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

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

Exceptional year for grain

The year 2022 will go down in history as a year of exceptional problems with grain production and availability. Although 97% of the grain we use in food production is Finnish, the war that started in Ukraine at the beginning of the year also affected our operations through the global grain market: when grain exports from Ukraine were interrupted, prices everywhere rose to unprecedented levels and grain was sometimes hard to come by.

The year 2022 was clearly divided into a pre-harvest and post-harvest period. Grain availability was very poor in July–August, and grain stocks fell to exceptionally low levels as a result of the poor harvest in 2021. During the 2021/2022 harvest season, an exceptionally large amount of grain was imported into Finland, but all of Raisio's products, with the exception of durum wheat for pasta products and small quantities of special wheat, were made from Finnish grain.

The mills used the harvest from the 2021 growing season until September 2022. The poor availability and quality of oats in particular reduced the mills' yields. The low-quality raw material generated more by-products than normal, i.e. hulls and small grains unsuitable for hulling. However, the amount generated was used for energy production in the energy plant of the Nokia mill or was supplied to animal feed manufacturers for feed production.

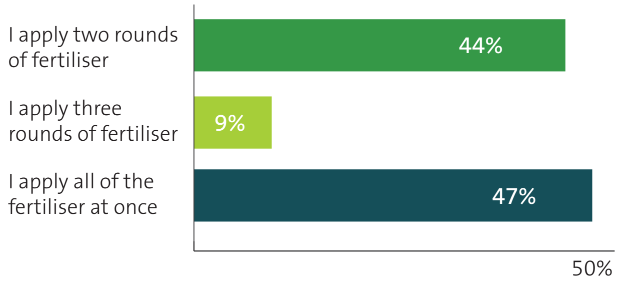
The conditions of the 2022 growing season were good, allowing for normal grain cultivation and producing an average grain yield in Raisio's procurement area. The quality of milling grains was good. The good quality boosted the stock levels, which had fallen very low after the poor harvest, and also ensured a normal production process and much higher yields for the mills. Finnish grain production returned to average levels after the poor harvest of the previous year. The grain harvest was 3.6 million tonnes. Crop quality was also restored to a good level for the main grain types.

Split fertilisation is an important measure for sustainable farming

One of Raisio's most significant environmental risks is the impacts of climate change on the quality, availability and prices of our key raw materials, such as grains. We aim to manage risks related to the procurement of Finnish grains by expanding the procurement area geographically in Finland. We also aim to encourage our contract farmers to adopt farming practices that increase yield security.

Sustainable grain farming aims to optimise the use of inputs and reduce wastage. Fertilisation is one of the most important farming measures to ensure the quantity and quality of the harvest. Fertilisation needs are determined by the crop, the desired yield and quality, the preceding crop and the condition of the field. Fertilisation may consist of the cultivation of green manures or the use of livestock manure or industrially produced fertilisers. Without fertilisation, the crop will not produce a harvest.

Fertilisation is also an economically important agricultural measure, and the war started by Russia has also led to a significant increase in fertiliser prices. One way to optimise fertiliser use is to split the fertiliser into multiple applications over the growing season, rather than applying all the fertiliser in the spring as is traditionally done. Split fertiliser application takes the actual nutrient needs of the crop better into account and fine-tunes the fertilisation according to both growing conditions and crop health. If conditions are poor, you avoid over-fertilisation. On the other hand, good crops can be given extra fertiliser to ensure quality in addition to quantity.



According to Raisio's survey of contract farmers, more than half of the farmers use split fertilisation in wheat cultivation. 44% have split the fertilisation into two applications and around 9% into three applications.

We are part of the Finnish Food and Drink Industries' Federation's biodiversity group

The Finnish Food and Drink Industries' Federation has launched a study on the biodiversity impact of the Finnish food industry to help companies in their efforts to mitigate biodiversity loss. The study will serve as a basis for establishing guidelines on how to take biodiversity conservation forward in practice. The study will provide companies with concrete steps to follow in their work.

The work will be led by the Finnish Food and Drink Industries' Federation's new biodiversity group, which brings together experts working on the topic from different member companies. The group shares expertise, knowledge and experience and prepares the ground for biodiversity work across the industry. We are involved in the biodiversity group to gain information and tips for taking our biodiversity work forward.

Fava beans good for biodiversity

The fava beans that we use in our plant protein products are a nutritious, Finnish raw material that can be used in many ways. They have been part of the Finnish diet for longer than potatoes, for example. Fava beans contain 30% protein, good carbohydrates, group B vitamins and plenty of fibre. Therefore, they are an excellent and healthy part of anyone's diet.

The cultivation of fava beans has a positive effect on the nutrients of the soil, as they are among the few nitrogen-fixing crops grown in Finland. Nitrogen fixation allows the soil to remain naturally nutrient-rich, reducing the need for fertilisers. In order to keep the soil in good condition, many farmers choose to include fava beans in their rotation, even if they do not grow them as their main crop.

Growing fava beans for food is also good for biodiversity. Biodiversity is supported by efficient land use, which is achieved when fava beans are grown directly for food. In addition to this, fava bean fields provide food for certain pollinators important for food production, such as bumblebees.

Training contract farmers to keep their fields healthy

In cooperation with Baltic Sea Action Group (BSAG), we organised a 'Kasvu kuntoon' training course for our contract farmers. The training course included two webinars and one field day.

The webinars covered topics such as factors affecting soil health, tools for farmers to assess the health of their field parcels and suggestions for measures to improve soil health, as well as information on what impairs the structure and health of the soil.

The field day included a tour of a long-standing no-till field in Loimaa and a look at varied crop rotation in practice. Around 40 farmers took part in the training course.

Basis of responsibility

We are committed to assuming responsibility for our own operating environment, environmental matters and employees. All of our actions are based on our purpose, our values, the Good Food Plan responsibility programme and the Group's Code of Conduct and other policies we have defined.

Code of Conduct

The Raisio Code of Conduct and complementary internal guidelines and policies create a basis for profitable and responsible operations. The Code of Conduct applies to all of the Raisio Group's operations, employees, management, Board of Directors and Supervisory Board. We are committed to comply with the Code of Conduct in our work and when representing the company. The Code of Conduct guides our day-to-day work and sets a foundation for profitable and responsible operations.

Getting familiar with the Code of Conduct is part of the induction of all new employees. We have an online training on the Code of Conduct in Finnish, English, Polish and Russian. The training is compulsory for all our employees. At the end of 2022, 88 (2021: 85; 2020: 81) per cent of our employees had completed the training. The Raisio Code of Conduct and anti-corruption policy explicitly prohibit corruption and bribery. Employees are regularly trained in the Code of Conduct and anti-corruption policy, and the training is part of the induction programme of each new employee.

PRINCIPLES AND POLICIES DEFINING RAISIO'S RESPONSIBLE OPERATIONS

- Raisio Group Code of Conduct
- Quality, Environment, Health and Safety Policy
- Raisio Group's Global Human Rights Policy
- Raisio Group's Supplier Code of Conduct
- Raisio plc's Disclosure Policy
- Policy against corruption
- Related Party Transactions Policy
- Insider Guidelines
- Notification of misconduct

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

Risk management

Under our risk management system, each member of the Executive Committee is responsible for the continuous control and monitoring of the risks within their area of responsibility and for assessing the adequacy of the management measures. The adequacy of management measures is assessed by using a three-tiered set of criteria.

For each area of responsibility, the most significant risk scenarios are highlighted annually for further assessment by the Executive Committee and an action plan for improving risk management methods is decided on. The progress of the action plans is regularly monitored by the Executive Committee, and the progress is regularly reported to the Board of Directors' Audit Committee.

Raisio's value chain

Raisio's value chain extends from primary food production to consumers. We are responsible for the responsibility of our own operations and products and strive to produce the most responsible foods possible. This is easier with our own operations while the opportunity to influence and degree of interaction vary in other parts of the value chain. Our ability and willingness to develop responsible food contribute to the sustainability of the food chain.

We influence the beginning of the value chain, i.e. our suppliers, by following responsible procurement principles. We expect our suppliers and subcontractors to commit to Raisio's Supplier Code of Conduct concerning, for example, environmental responsibility, working conditions in accordance with international regulations, prohibition of child and forced labour, and anti-discrimination.

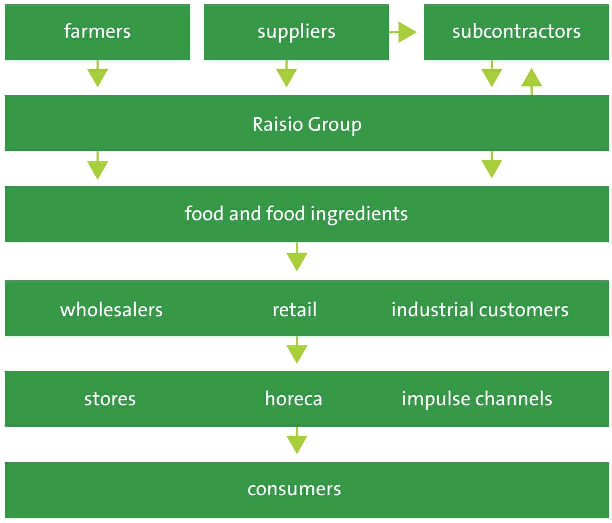
Raisio's largest raw material group is grains, which we mainly purchase from Finland. Some of the Group's branded products are made by subcontractors who work closely together with Raisio. Their agreements specify, for example, the quality requirements of raw materials used.

Understanding consumer needs and eating habits plays a key role in the product range development. We closely examine consumer behaviour and changing needs. This way, we can provide retailers with interesting and reliable branded products that meet consumer needs. It is particularly important for us to develop our brands, so that they continue to interest retailers and consumers. Trade organisations, catering companies and industrial customers set us criteria regarding the product responsibility and require reporting of responsibility topics.

At the higher end of the consumer products value chain, we influence consumers communicatively, for example, through nutrition-related information, packaging recycling labels, recipes and tips how to use the products. We are engaged in continuous dialogue with consumers through social media and customer service channels, for example. Consumers are interested in healthy food, the origin of raw materials and the recyclability of packaging – the responsibility of Raisio's brand in general.

We work with Kesko to make responsibility visible to consumers through projects such as Kesko's 'Teet hyvää ostamalla suomalaista' campaign on the benefits of buying Finnish products.

RAISIO'S VALUE CHAIN



BREAKDOWN OF RAISIO'S ECONOMIC VALUE*

M€	2022	2021	2020
Net sales	220.8	200.0	185.8
Suppliers and production purchase of raw materials, energy and services, as well as depreciation	171.5	142.7	132.9
Personnel wages, salaries and fees	24.6	24.6	22.7
Shareholders dividends	22.1	20.6	20.5
Investments	5.2	23.0	26.9
Public sector income taxes	2.5	3.1	5.1

*Continuing operations; comparable figures

Materiality assessment and stakeholder survey

Our materiality assessment is based on the stakeholder survey conducted in 2021. The materiality assessment served as a guideline in defining the current objectives of the responsibility programme.

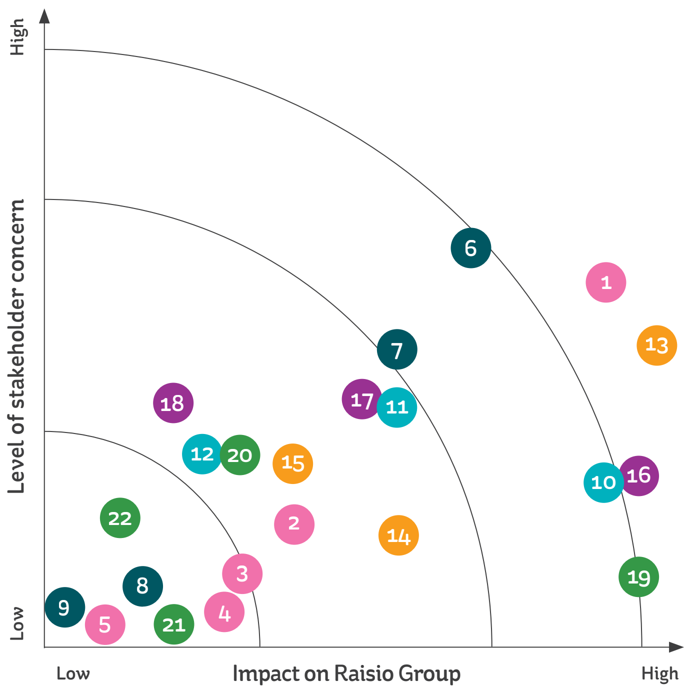
The materiality assessment examines the effect that responsibility topics perceived as important have on the Raisio Group and their significance for stakeholders. In the stakeholder survey, respondents may highlight topics that Raisio cannot necessary influence. Therefore, the materiality assessment is used to help identify the themes that are important for both Raisio and its stakeholders. Based on the materiality assessment, we selected objectives for the updated responsibility programme that we can influence.

The stakeholder survey targeted a wide range of representatives of Raisio's stakeholders: owners, analysts and investors, farmers, suppliers of goods and services, employees, consumers, business customers and organisations. A total of 975 responses were received during the three-week survey period. Consumers were reached particularly through the social media channels of product brands. The survey was conducted in Finnish, English and Polish.

In order to make the stakeholder survey comparable, the questions were based on those of the 2017 survey. However, some updates were made to the list of questions. The survey included six sections, grouped under the themes of Raisio's Good Food Plan. In addition to these, there was a more general section titled 'Responsible Raisio.' Each section contained nine or ten statements or options, from which the respondent had to choose the three that they considered to be the most important topics to be promoted.

KEY RESPONSIBILITY THEMES HIGHLIGHTED IN THE STAKEHOLDER SURVEY

Numbers indicate the importance according to the stakeholders.



Responsible Raisio
1 Product quality as promised
2 Respect for human rights throughout the supply chain
3 Security of food supply
4 Investment in long-term profitability instead of short-term optimisation
5 Quality and environmental certification of production facilities (e.g. ISO 14001)

Sustainable food chain
6 Domestic raw materials
7 Domestic production
8 Responsibility-certified raw materials
9 Promotion of biodiversity

Healthy food
10 Products complying with nutritional recommendations
11 Use of whole grains in products
12 Reduction of sugar content in products

Environmental friendliness of product packaging
13 Recyclability of packaging
14 Product safety and shelf life
15 Minimisation of packaging material

Employees: food professionals
16 Promotion of work-life balance
17 Support for employee career development
18 Equality and non-discrimination in the work community

Environment and climate action
19 Carbon neutrality in Raisio's own operations
20 Measurement and reduction of food waste
21 Carbon neutrality of the supply chain
22 Investments in renewable energy solutions (e.g. solar energy) and use of renewable energy

Dialogue with stakeholders

Active stakeholder dialogue is part of our corporate responsibility. This allows us to broaden our understanding of how different stakeholders see our strategy, targets and operations. We want to be extremely sensitive to the preferences and expectations of consumers and customers; continuous trend monitoring is essential for us.

We have identified the most relevant themes for responsibility work through a stakeholder analysis. Our key stakeholder groups are employees, consumers, customers, shareholders, suppliers and subcontractors, authorities and various organisations, media, and educational institutions.

In 2022, the main major topic of the dialogue was Russia's invasion of Ukraine and its impact on grain prices, grain availability, food prices, and the prices of energy and other commodities.

Stakeholder	Interaction channel	Stakeholder's key topics in 2022
Personnel	Continuous and open interaction in the work community, appraisal discussions, trainings, staff info, intranet, working groups and project work	Russia's invasion of Ukraine; safety of Ukrainian colleagues; divestment of the Russian business; termination of exports to Russia; grain availability and prices; food prices; future of Raisioaqua; change and growth programme to develop the company's business and accelerate growth; updated growth figures.
Consumers	Consumer service, social media, brand websites, newsletters, advertising, media communication, consumer studies, product demonstrators	Food prices; food transition and plant-based food; cholesterol reduction; responsibility of raw materials and production; product healthiness; new products; Elovena® advent calendar; products' production countries; packaging and recyclability; labelling and its clarity; Beanit® recall; product quality.
Customers e.g. retailers, wholesalers, bakeries, industrial and catering customers, healthcare professionals, fish farmers	Direct customer contacts, websites, events, e-newsletters	Food prices; security of supply; domesticity of food in Finland; future of Raisioaqua; food transition and plant-based food; cholesterol reduction; product packaging; recyclability, practicality and environmental friendliness of packaging; vegetarian food; product healthiness; carbon-neutral production; use of production side streams in food; environmental objectives; categories' strong branded value-added products; selection and pricing windows in exceptional situations.
Shareholders, institutional investors and analysts	Financial statements in the form of stock exchange releases and through other financial reporting, investor section on the website. Dialogue with investors and analysts using virtual meeting opportunities, e.g. annual general meetings, road shows and management meetings	Divestment of the Russian business; termination of exports to Russia; future of Raisioaqua; prices of raw materials, materials and transport; prices and availability of raw materials, particularly grain; food prices; Raisio's growth opportunities and growth programme; renewed financial targets for the strategic period 2022–2025; food transition and its potential for Raisio and Finland; acquisition opportunities.
Public authorities, advocacy groups, networks	Authority inspections, meetings, influencing in organisations, see: Raisio's memberships	Security of supply, energy security, food transition, plant-based food, cholesterol reduction, fairness of food system reform, food innovation, Baltic Sea welfare, responsibility.
Suppliers, contract farmers, subcontractors	Direct contacts, meetings, audits, Supplier Code of Conduct, supplier self-assessments, contract farmer events, fairs, e-newsletter to farmers	Grain prices and availability; grain quality; yields; prices of raw materials, materials and transport; food prices; food transition and plant-based food; fairness of food system reform; sustainable farming; responsibility.
Media	Direct contacts, interviews, releases, social media, websites	Grain prices, grain availability, food prices, divestment of the Russian business, termination of exports to Russia, food transition, plant-based food, Raisio's strategy, responsibility, sustainable development, environmental actions.
Educational institutions	Sponsor schools, speaker visits, projects, research collaboration, cooperation through Raisio's Research Foundation.	Practical training, theses, raising awareness of the food industry among primary school children through the Yrityskylä partnership, food transition, plant-based food.

Helping those affected by the war in Ukraine was our main focus of support

In addition to the distribution of our company's financial value, our social responsibility is seen in the support of various non-profit organisations. We have selected the organisations so that they fit our values and strategy. In 2022, we prioritised helping those affected by the war in Ukraine.

In 2022, we helped those affected by the war in Ukraine in ways that we believe are most tangible: by donating food to Ukrainians in both Ukraine and Finland. Instead of Christmas presents, we donated to the Joulupuu charity campaign, which collects Christmas presents for disadvantaged children and teenagers in Finland. In 2022, some of the presents from the Joulupuu collection were given to Ukrainian children and teenagers in Finland.

In 2022, Elovena® was a partner of the national youth orienteering team and collaborated on nutrition with the Finnish Orienteering Federation. As part of the collaboration, we provided the national youth orienteering team with Elovena® products, such as instant oatmeal, snack oat drinks, snack biscuits and oat bars, for all of their camps and competitions during the 2022 season. The partnership highlighted the importance of good eating habits and physical activity, particularly for the healthy growth and development of children and young people.

The existing cooperation with Venner, which supports families with children, continued and expanded to include Nalle® and Torino® products in addition to Elovena®. Venner delivers food boxes to low-income families with children; the boxes contain ingredients and recipes for healthy and easy-to-prepare meals.

Raisio has already been supporting the Unique Archipelago Sea project for two years and will be the main partner in 2023. The project aims to find ways to save the Archipelago Sea from eutrophication. The Unique Archipelago Sea operation

is a five-year project, originally launched by Centrum Balticum, and it aims to raise the profile and prestige of the Archipelago Sea. It also seeks to promote various actions that improve the cleanliness of the Archipelago Sea. The project aims to influence decisions and measures to turn the state of our national treasure's sea in a sustainable and healthy direction and safeguard the biodiversity of the world's largest archipelago. Increasing the interest of tourists in the unique nature experience offered by this UNESCO Biosphere Reserve, both at home and in Sweden, and in the coming years with Visit Finland in the global market, is an important part of the operation's activities.

We have been cooperating with Operaatio Ruokakassi for a long time. We regularly donate products to Operaatio Ruokakassi that are edible but would otherwise go to waste.

We raise awareness of the food industry among comprehensive school pupils as a partner of the Southwest Finland Yrityskylä learning environment. Raisio has been a partner of Yrityskylä since 2013. We continued this activity aimed at sixth and ninth graders.

RAISIO'S RESPONSIBILITY MANAGEMENT MODEL

Board of Directors	Monitoring the implementation of responsibility; confirming the material themes and key principles.
Sustainability Committee of the Supervisory Board	Oversees company's compliance with sustainability issues as part of the Supervisory Board's task to supervise the corporate administration run by the Board and CEO.
Board of Directors' Audit Committee	Auditing the non-financial report as part of the Board of Directors' report.
CEO and the Group Executive Committee	In charge of the Raisio Group's Corporate Responsibility as part of the company's strategy.
Vice President, Legal Affairs and Corporate Responsibility	Leading the Raisio Group's responsibility work; in charge of the progress of the responsibility programme, the Good Food Plan.
Responsibility Working Group	Developing and coordinating the Raisio Group's corporate responsibility work. Consulting and assisting the entire organisation to carry out the Good Food Plan. In charge of the responsibility reporting and communications.
Responsibility steering groups	In charge of the practical organisation and implementation of the activities in the Good Food Plan's 5 key projects and the achievement of the goals.

RAISIO PLC OR ITS SUBSIDIARIES ARE MEMBERS OF THE FOLLOWING ORGANISATIONS:

- The Finnish Association of Academic Agronomists
- The American Oil Chemists' Society
- Boreal Plant Breeding Ltd
- The Finnish Food and Drink Industries' Federation (ETL)
- ETS, Elintarviketieteiden Seura
- Food and Drink Federation (Great Britain)
- Food Drink Ireland (IBEC)
- GS1 Finland
- HENRY, Finnish Association for Human Resource Management
- ICC, International Chamber of Commerce
- IFT Institute of Food Technologists
- IGD – Institute of Grocery Distribution (Great Britain)
- International Plant Sterols and Stanols Association (IPSSA)
- Finnish Plant Protection Society
- Finnish Association of Purchasing and Logistics LOGY
- Southwest Finland ELVAR committee
- Water Protection Association of Southwest Finland
- The Finnish Cereal Committee (VYR) of the Ministry of Agriculture and Forestry
- Vesiviljelyn kehittämisryhmä (Working Group on Aquaculture) of the Ministry of Agriculture and Forestry
- Meripuolustussäätiö
- The Nolla tapaturmaa forum
- Non-Profit Organisation Eesti Taaskasutusorganisatsioon (ETO)
- OPRL – On-pack recycling label scheme (Great Britain)
- The Finnish Association for Corporate Patent Agents
- Pro Ruis ry
- PSK Standards Association
- RTY, The Association of Clinical and Public Health Nutritionists in Finland
- RTRS, Roundtable of Responsible Soy
- RSPO, Roundtable on Sustainable Palm Oil
- Ruokatieto Yhdistys ry
- Leader Action Group I samma båt – samassa veneessä
- The Association for Finnish Work
- FACG, The Finnish Anti-Counterfeiting Group
- The Finnish Investor Relations Society
- Finnish Fish Farmer's Association
- The Finnish Oat Association
- Finnish Chemical Society
- Suomen Kuitukierrätys Oy
- Lean Association of Finland
- Finnish Association of Purchasing and Logistics LOGY
- The Finnish Packaging Association
- STY, The Finnish Association for Industrial Property Rights
- STO, Suomen Tuotannonohjausyhdistys ry
- Suomen Viljakauppapaikka Oy
- The Finnish Foundation for Cardiovascular Research
- Procurement, sales and logistics advisory board of the Turku University of Applied Sciences
- Turku Chamber of Commerce
- Turun Kauppakorkeakouluseura ry (Turku School of Economics)
- Turun Liikemiesyhdistys
- Varsinais-Suomen osakesäästäjät ry.
- Varsinais-Suomen Sydänpiiri ry.
- WRAP (Great Britain)
- The Federation of Professional and Managerial Staff YTN, Food industry
- Ålands Fiskodlarförening rf

EU taxonomy reporting

The obligation to report in accordance with the EU taxonomy currently applies to organisations employing more than 500 people, so it does not yet apply to Raisio at this stage. As responsibility is a key part of Raisio's strategy, we have considered it to be important for us to examine our activities in accordance with the EU taxonomy from the very beginning.

We have been voluntarily reviewing our business from the perspective of the taxonomy already, based on the first two criteria completed so far: climate change mitigation and climate change adaptation. These criteria do not include indicators directly applicable to food production, but they do cover our bioenergy plant located in the Raisionkaari industrial area. The bioenergy plant generates heat and steam for the production facilities and buildings in the area, and we also sell energy from the plant to other companies in the industrial area, making the bioenergy plant eligible for the EU taxonomy.

The economic activities associated with the bioenergy plant can be considered to contribute substantially to climate change mitigation, as they meet the relevant technical screening criteria defined for taxonomy category 4.24. The taxonomy category is called 'Production of heat/cool from bioenergy.' The greenhouse gas emission savings from the use of wood chips as fuel are at least 80 per cent in relation to the calculation methods for greenhouse gas emission savings and the associated fossil fuel comparators set out in Annex VI to Directive (EU) 2018/2001. The activities also cause no significant harm to any of the other environmental objectives.

We believe that indicators related to food production will be better included in the other four EU criteria to be completed in the future: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

PROPORTION OF TURNOVER

				Substantial contribution criteria						'Does Not Significantly Harm' criteria										
Economic activities	Codes	Absolute turnover, EUR million	Proportion of turnover %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of turnover 2022 %	Taxonomy-aligned proportion of turnover 2021 %	Category – enabling activity, E	Category – transitional activity, T
A TAXONOMY-ELIGIBLE ACTIVITIES																				
A. 1 Environmentally sustainable activities (Taxonomy-aligned)																				
Bioenergy plant in the Raisionkaari industrial area	4.24	0.9	0.4	0.4							Y	Y	Y	Y	Y	Y	0.4		E	
A. 2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
nothing to report																				
Total A.1+A.2		0.9	0.4														0.4		E	
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy non-eligible activities		219.9	99.6																	
Total A+B		220.8	100.0																	

PROPORTION OF CAPITAL EXPENDITURE

Economic activities	Codes	Absolute capital expenditure, EUR million	Proportion of CapEx %	Substantial contribution criteria: Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	'Does Not Significantly Harm' criteria: Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of capital expenditure 2022 %	Taxonomy-aligned proportion of capital expenditure 2021 %	Category – enabling activity, E	Category – transitional activity, T
A TAXONOMY-ELIGIBLE ACTIVITIES																				
A. 1 CapEx of environmentally sustainable activities (Taxonomy-aligned)																				
Bioenergy plant in the Raisionkaari industrial area	4.24	0.0	0.0	0.0							Y	Y	Y	Y	Y	Y	0.0		E	
A. 2 CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
nothing to report																				
Total A.1+A.2		0.0	0.0														0.0		E	
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capital expenditure of Taxonomy-non-eligible activities		5.2	100.0																	
Total A+B		5.2	100.0																	

PROPORTION OF OPERATING EXPENDITURE

Economic activities	Codes	Absolute operating expenditure, EUR million	Proportion of OpEx %	Substantial contribution criteria: Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	'Does Not Significantly Harm' criteria: Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of operating expenditure, 2022 %	Taxonomy-aligned proportion of operating expenditure, 2021 %	Category – enabling activity, E	Category – transitional activity, T
A TAXONOMY-ELIGIBLE ACTIVITIES																				
A. 1 Operating Expenditure of environmentally sustainable activities (Taxonomy-aligned)																				
Bioenergy plant in the Raisionkaari industrial area	4.24	0.3	4.1	4.1							Y	Y	Y	Y	Y	Y	4.1		E	
A. 2 OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
nothing to report																				
Total A.1+A.2		0.3	4.1	4.1													4.1		E	
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Operating expenditure of Taxonomy-non-eligible activities		6.4	95.9																	
Total A+B		6.7	100.0																	

Independent Assurance Report to the Management of Raisio plc

This document is an English translation of the Finnish report.

We have been engaged by the Management of Raisio plc (hereafter “Raisio”) to provide limited assurance on selected environmental indicators presented in Raisio’s Annual Review and Corporate Responsibility Report 2022 (hereafter “Selected Environmental Information”) for the year ended 31 Dec 2022.

The Selected Environmental Information consists of the indicators presented in the Organisation’s energy consumption and CO_2e emissions (Scope 1 and 2) tables of Raisio’s Annual Review and Corporate Responsibility Report 2022 (p.22).

Management’s responsibilities

The Management of Raisio is responsible for the preparation and presentation of the Selected Environmental Information in accordance with the reporting criteria, i.e. *GRI Sustainability Reporting Standards*, and the information and assertions contained within it. The Management is also responsible for determining Raisio’s objectives with regard to sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our assurance engagement on the Selected Environmental Information in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board IAASB. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Environmental Information is free from material misstatement.

KPMG Oy Ab applies International Standard on Quality Control ISQM 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants IESBA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on Selected Environmental Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Environmental Information, and applying analytical and other evidence gathering procedures, as appropriate. In the engagement, we have performed the following procedures, among others:

- Interviewed a member of Raisio’s senior management and relevant staff responsible for providing the Selected Environmental Information;
- Assessed the application of the *GRI Sustainability Reporting Standards* reporting principles in the presentation of the Selected Environmental Information;
- Assessed data management processes, information systems and working methods used to gather and consolidate the Selected Environmental Information;
- Reviewed the presented Selected Environmental Information and assessed its quality and reporting boundary definitions and;
- Assessed of the Selected Environmental Information’s data accuracy and completeness through a review of the original documents and systems on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the information subject to the assurance engagement is not prepared, in all material respects, in accordance with the *GRI Sustainability Reporting Standards*.

Helsinki, 20 March 2023
KPMG Oy Ab

Esa Kailiala
Partner, APA

Tomas Otterström
Partner, Advisory

GRI Content Index

In its corporate responsibility reporting for the period from 1 January 2022 to 31 December 2022, Raisio plc has reported the information cited in this GRI content index with reference to the GRI Standards. GRI 1 used: GRI 1: Foundation 2021

Raisio reports on its corporate responsibility performance as a Group and the reporting covers all the Group's operations. The comparison figures only include continuing operations. The Group's boundaries include the parent company, Raisio plc, its subsidiaries and the subsidiaries owned by them that are listed in the financial statements. Raisio's Corporate Responsibility Report includes the effects of the Group's own operations.

GRI Standard	Disclosure	Location
Organization and its reporting practices GRI 2, 2021: General Disclosures	2-1 Organizational details	page 3
	2-2 Entities included in the organization's sustainability reporting	page 42
	2-3 Reporting period, frequency and contact point	1.1.2022-31.12.2022; reporting done once a year, contact: communications@raisio.com
	2-4 Restatements of information	-
	2-5 External assurance	page 41
Activities and workers	2-6 Activities, value chain and other business relationships	pages 4–8, page 34
	2-7 Employees	pages 16–20
	2-8 Workers who are not employees	page 20
Governance	2-9 Governance structure and composition	Corporate Governance Statement 2022
	2-10 Nomination and selection of the highest governance body	Corporate Governance Statement 2022
	2-11 Chair of the highest governance body	Corporate Governance Statement 2022
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement 2022
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Statement 2022
	2-14 Role of the highest governance body in sustainability reporting	page 37
	2-15 Conflicts of interest	Corporate Governance Statement 2022
	2-16 Communication of critical concerns	Raisio Group's whistleblowing channel https://report.whistleb.com/raisio
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Statement 2022
	2-19 Remuneration policies	Remuneration Report 2022
	2-20 Process to determine remuneration	Remuneration Report 2022
	2-21 Annual total compensation ratio	Remuneration Report 2022
Strategy, policies and practices	2-22 Statement on sustainable development strategy	pages 9–10
	2-23 Policy commitments	pages 30, 33
	2-27 Compliance with laws and regulations	page 33
	2-28 Membership associations	page 38
Stakeholder engagement	2-29 Approach to stakeholder engagement	page 36
	2-30 Collective bargaining agreements	page 19

GRI Standard	Disclosure	Location
GRI 201, 2016: Economic Performance	201-1 Direct economic value generated and distributed	page 34
	205-2 Activities regarding anti-corruption	pages 33–34, https://www.raisio.com/en/investors/corporate-governance/control/
GRI 3, 2021: Material topics	3-1 Process to determine material topics	page 35
	3-2 List of material topics	page 35
GRI 301, 2016: Materials	301-1 Materials	pages 29–30
GRI 302, 2016: Energy	302-1 Energy consumption within the organization	page 22
	302-3 Energy intensity	pages 21–25
	302-4 Reduction of energy consumption	page 22
GRI 303, 2018: Water	303-1 Water consumption	page 24
GRI 304, 2016: Biodiversity	304-1 Operational sites in, or adjacent to, protected areas	none
GRI 305, 2016: Emissions	305-1 Direct GHG emissions	page 22
	305-2 Energy indirect GHG emissions	page 22
	305-3 Other indirect (Scope 3) GHG emissions	pages 26–27
	305-4 GHG emissions intensity	page 22
	305-5 Reduction of GHG emissions	page 22
GRI 306, 2020: Waste	306-1 Effluent	page 24
	306-2 Waste	page 24
GRI 307, 2016: Environmental compliance	307-1 Non-compliance with environmental laws and regulations	No non-compliance issues
GRI 401, 2016: Employment	401-1 New employee hires and employee turnover	page 19
GRI 403, 2018: Occupational Health and Safety	403-2 Injuries and occupational diseases	page 19, no distribution by gender
GRI 404, 2016: Training and Education	404-3 Percentage of employees receiving regular performance and career development reviews	page 19
GRI 405, 2016: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	pages 16, 20
G4-3 Food Processing sector disclosures	FP1 Compliance with responsible procurement principles	pages 29–30
	FP2 Cer Certified raw materials	page 30
	FP5 Producs manufactured in certified sites	page 14

Board of Directors' Report and Financial Statements 2022

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Board of Directors' Report 2022

Growth in net sales in all market areas, strong recovery in profitability

Financial reporting

The year 2022

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, the sale of grain based foods and ingredients and the sale of plant proteins 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.

Financial development

Net sales, continuing operations

Raisio Group's net sales totalled EUR 220.8 (200.0) 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 143.0 (134.3) million and the Healthy Ingredients Segment's net sales were EUR 115.7 (96.6) million. Net sales significantly exceeded those of the comparison period, even though the volumes of certain brands decreased in comparison to the level of the strong comparison period. During the review period, 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 also continued to be strong. The top brands at the core of Raisio's strategy performed well in different markets, with the total sales of the Elovena brand in particular growing significantly, reaching a level almost 30% higher than in the comparison period. Good sales were especially boosted by oat products that bring added value, such as snack bars, drinks and spoonable products from the new production facility. Continuing cost pressures throughout the review period led to unavoidable price increases, which were implemented in stages during the financial year.

During the financial year, high inflation was reflected in lower retail sales figures across Europe and changes in consumption habits. Cost inflation and subsequent price increases put pressure on sales volumes towards the end of the year and, although there are differences between product groups, we did not see a significant decline in volumes for Raisio's consumer products throughout the financial year.

GROUP NET SALES

	2022	2021
Healthy Food, M€	143.0	134.3
Healthy Ingredients, M€	115.7	96.6
Other operations, M€	2.0	1.5
Between segments, M€	-39.9	-32.4
The Group total, M€	**220.8**	**200.0**
Change in net sales, %	10.4	7.7

Results, continuing operations

Raisio Group's comparable EBIT was EUR 18.4 (21.3) million, which accounted for 8.3 (10.6) per cent of net sales. EBIT was EUR 17.9 (20.2) million, which accounted for 8.1 (10.1)% of net sales. The economy drives the market, but geopolitics drive the economy. The war of aggression launched by Russia in February 2022 plunged Europe into an energy crisis and fuelled the already high inflation following the pandemic. In addition to the geopolitical instability, the exceptionally poor harvest in the Finnish grain market in the 2021 growing season resulted in strong fluctuations in the prices of grain raw materials essential for Raisio during the financial year. In addition to cost impacts, this also had an effect on the availability and quality of grain raw materials, as well as on related production factors, such as packaging, logistics and energy. In terms of the production factors, the above cost pressures are still ongoing. The good harvest in Finland in 2022 and continued price increases throughout the reporting period improved profitability and ensured business continuity. To address price and availability issues, Raisio worked actively and interactively throughout the year with its internal and external stakeholders throughout the value chain. The carbon-neutral steam production launched during the summer of 2021 at Nokia's mills has, in a short time span, also proven its usefulness as a means of ensuring the availability of cost-effective energy, and the heating plant makes use of the oat hulls generated as a side stream from production at the mill. During the financial year, 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 1.2 (1.4) million. The British pound accounted for EUR 1.0 (1.8) million and other currencies for EUR 0.2 (-0.4) million.

The conversion impact on the Healthy Food Segment's comparable EBIT and EBIT was EUR 0.2 (0.4) million. The British pound accounted for EUR 0.2 (0.4) million, while other foreign currencies had no conversion impact on the comparable EBIT or EBIT. The Healthy Ingredients Segment had no conversion impact during the financial year. The conversion impact refers to the impact arising when the subsidiaries' net sales are converted into euros as part of the consolidated financial statements.

The depreciations and impairments totalled EUR 10.0 (7.6) million. The Group's net financial items were EUR -2.8 (0.9) million. During the financial year, the net financial items included a fair value change of EUR -2.3 (-0.9) million for financial assets recognised at fair value through profit or loss, mostly as a result of the decline in the securities market. The financial items for the comparison period also included a realised gain of EUR 1.4 million on the sale of securities. The Group's pre-tax result was EUR 15.0 (21.1) million. The Group's post-tax result was EUR 12.5 (18.0) million. The Group's earnings per share were EUR 0.08 (0.11) and the comparable figure was EUR 0.08 (0.12).

GROUP EBIT

	2022	2021
Comparable EBIT		
Healthy Food, M€	18.0	18.4
Healthy Ingredients, M€	3.4	6.3
Other operations, M€	-3.0	-3.5
Between segments, M€	0.0	0.0
The Group total, M€	**18.4**	**21.3**
Comparable EBIT of net sales, %	8.3	10.6
EBIT		
Healthy Food, M€	18.0	18.1
Healthy Ingredients, M€	3.4	5.6
Other operations, M€	-3.5	-3.6
Between segments, M€	0.0	0.0
The Group total, M€	**17.9**	**20.2**
EBIT of net sales, %	8.1	10.1

Balance sheet, cash flow and financing

At the end of December, the Raisio Group's balance sheet totalled EUR 331.9 (31 December 2021: 354.4) million. Shareholders' equity was EUR 262.9 (31 December 2021: 280.7) million. Equity per share totalled EUR 1.66 (31 December 2021: 1.77) million. Changes in equity are described in detail in the Table section.

The Group's cash flow from continuing business operations after financial items and taxes totalled EUR 11.3 (28.4) million. During the review period, cash flow was weakened by reduced profits from business, as well as growth in working capital, which came, for the most part, from an increase in the value of inventories. 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 December, working capital from continuing operations amounted to EUR 44.0 (31 December 2021: 29.9) million.

The Group's interest-bearing debt was EUR 27.0 (31 December 2021: 29.1) million. Net interest-bearing debt was EUR -41.2 (31 December 2021: -60.0) million.

At the end of December, Raisio's financial assets recognised at fair value through profit or loss, as well as cash and cash equivalents, totalled EUR 68.1 (31 December 2021: 89.0) million. Cash reserves are primarily invested in low-risk, liquid investment objects.

At the end of December, the Group's equity ratio totalled EUR 79.2 (31 December 2021: 79.3) per cent and net gearing was -15.7 (31 December 2021: -21.4) per cent. The return on investments (ROIC) was 5.5 (31 December 2021: 8.0) per cent and the comparable return on investments (ROIC) was 5.6 (31 December 2021: 8.4) per cent. Raisio plc paid EUR 22.2 (20.6) million in dividends for 2021.

KEY FIGURES FOR THE BALANCE SHEET AND FINANCING

	2022	2021
Equity ratio, %	79.2	79.3
Net gearing, %	-15.7	-21.4
Net-interest bearing debt, M€	-41.2	-60.0
Equity per share, €	1.66	1.77
Cash flow from operations after financial items and taxes, M€	11.2	28.4
Comparable return on investment (ROIC), %	5.6	8.4
Return on investment (ROIC), %	5.5	8.0

Investments

The January–December investments totalled EUR 5.2 (23.0) million, or 2.3 (11.5) 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 proteins. 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 shortage of electronic components, this investment will be completed in summer 2023, contrary to the previously announced schedule. The investment facilitates a better collective use of different ingredients and new commercial product applications. At the end of the financial year, the Kauhava plant added new processes for more extensive processing of plant proteins. The products and solutions resulting from this investment will be visible in the market from January 2023 onwards.

The bioenergy solutions implemented in Raisio's factories in recent years have proven their worth in the face of energy challenges. One of the key objectives of our responsibility programme is to make our own production carbon-neutral. Launched during the summer of 2021, the carbon-neutral steam production using oat hulls generated as a side stream of production at the Nokia mill 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. Additionally, a new investment decision was made for the Nokia mill to increase the production capacity of value-added oat products. The investment totalled approximately EUR 0.5 million and was completed at the end of 2022.

The last missing piece in our efforts to make our own production carbon-neutral is the Kauhava factory. At the end of 2022, we already reported that the Kauhava factory had switched to biofuel for steam production during the autumn, but this was not the case. After the turn of the year, it was revealed that the Kauhava factory was still running on fossil fuel in the autumn, and biofuel was not expected to be used for steam production until January 2023. Therefore, it is still our goal to make the Kauhava factory carbon-neutral by the end of 2023.

The annual investments under Raisio's strategy are estimated to exceed EUR 10 million in 2023–2025. Investments will focus on measures to improve efficiency, energy efficiency and yield. No need for significant capacity investments is foreseen during the strategy period.

INVESTMENTS

	2022	2021
Healthy Food, M€	0.4	1.0
Healthy Ingredients, M€	3.5	20.7
Other operations, M€	1.2	1.4
The Group total, M€	**5.2**	**23.0**

Research and development

Raisio's research and development expenses in January–December totalled EUR 2.9 (3.1) million, or 1.3 (1.6) 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.

At the start of the year, Elovena was ranked number one on the Sustainable Brand Index list, which reflects Finnish views on brand responsibility. The results published in March 2022 showed that Raisio has been engaged in successful and systematic responsibility work for years already. During the first quarter, Elovena Oat Drink Barista and Elovena Soft Oat Bar were launched, both of which performed very well in their respective product categories throughout the reporting period.

During the financial year, the Elovena range of spoonable oat snacks also grew with a new product: Elovena AB Oat Snacks. The fully plant-based products of the Elovena AB Oat Snack line contain healthy acidophilus and bifidus bacteria as well as abundant fibre – qualities that have been much sought after by consumers. We also launched a wellness line of Elovena instant oatmeal products.

The commissioning of Raisio's new production facility in autumn 2021 has proceeded as anticipated and the new products from the facility have been excellently received by consumers.

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 glutenfree oats as raw material, plant proteins and the ongoing product and application developments of Benecol. These rising costs are to be covered mainly by measures to increase efficiency in production, procurement and support functions.

Operating environment

The underlying change affecting the economy and markets became clearly visible in 2022. The change that is taking place is not just a cyclical change, but rather a trend change. Economically, the most important change has been the return of inflation, accelerated by Russia's invasion of Ukraine in February 2022. Inflation is spreading to every corner of the market and will undoubtedly affect consumer spending habits. The trend of eating at home will increase and consumers will pay ever more attention to prices while still putting their trust in strong and well-known brands.

The change in consumers' purchase and shopping behaviours towards digital channels has, at the same time, remained strong. The role of traditional trade is being forced to adapt as the volumes of new sales channels continue their strong growth. Global megatrends support Raisio's growth strategy and its focus on responsibly produced healthy food. According to our estimates, value choices and consumption habits related to health will become even more prevalent.

Online sales and hybrid models (such as collection and pick-up services) have become permanent forms of consumer trade. Our strategic choices to focus on fewer but stronger brands support our success at a time when purchase behaviours are changing. Raisio is strongly involved in this development with retail chains.

Strategy period 2022–2025

Raisio's business environment changed significantly during 2022 following Russia's invasion of Ukraine. Concurrently with the changes in the business environment, Raisio launched a comprehensive and long-term change programme in summer 2022 to develop the company's business, accelerate growth and improve profitability. On 14 December 2022, Raisio updated its long-term financial targets for the strategy period 2022–2025.

Raisio's most important goal for the new strategy period is to grow profitably, 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 proteins. The compound annual growth rate (CAGR) of the combined net sales from the three aforementioned focus areas is 11% during the strategy period, and the CAGR for the entire Raisio Group is 9%. The three focus areas together account for more than three fourths of the Raisio Group's continuing operations total net sales. Their combined net sales for the financial year amounted to EUR 171.8 (159.9) million, while the Group's net sales totalled EUR 220.8 (200.0) million.

NET SALES FOR STRATEGIC AREAS OF FOCUS, CONTINUING OPERATIONS

		2022	2021
Net sales	M€	**171.8**	**159.9**
Benecol® and plant stanol ester solutions	M€	113.8	114.3
Value added oat products and ingredients	M€	51.4	39.6
Plant proteins	M€	6.6	6.1

Raisio aims to achieve a comparable EBIT of over 13 per cent of the Group's net sales in 2025. With the goals set for the strategy period, net sales will exceed EUR 280 million in 2025 and the comparable EBIT will exceed EUR 36 million. The 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. On the other hand, Raisio expects its increasing production volumes and diversifying product categories to improve the profitability of production. The profitability of the new factories is expected to turn positive in 2024, as previously estimated.

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, continuing operations

The Healthy Food Segment's net sales totalled EUR 143.0 (134.3) million. Net sales clearly exceeded those of the comparison period, even though the volumes of many brands decreased in comparison to the level of the strong comp rison period. The top brands in the focus of Raisio's strategy succeeded brilliantly in the different markets, 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 bars, drinks and spoonable products from the new production facility. To compensate for continued cost pressures during the financial year, necessary price increases were implemented on consumer products. During the reporting period, inflation eroded consumers' purchasing power, which is reflected in lower retail sales figures in Europe and changes in spending habits. We have not, however, seen any significant drop in the volume of Raisio's consumer products.

The Healthy Food Segment's comparable EBIT amounted to EUR 18.0 (18.4) million, which accounted for 12.6 (13.7) per cent of net sales. EBIT was EUR 18.0 (18.1) million, which accounted for 12.6 (13.5) per cent of net sales. During the financial year, the prices of grain raw materials that are essential for Raisio saw exceptionally strong fluctuations. In the early part of the year, these fluctuations were mainly driven by the exceptionally poor harvest in the 2021 growing season, Russia's war of aggression and the subsequent energy crisis in Europe and rising costs. In addition to cost impacts, this also had an effect on the availability and quality of grain raw materials, as well as on related production factors, such as packaging, logistics and energy. In terms of the production factors, the above cost pressures are still ongoing. The good harvest in Finland in 2022 and continued price increases throughout the reporting period improved profitability and ensured business continuity. To address price and availability issues in particular, Raisio worked actively and interactively throughout the year with the entire supply chain. Comparable EBIT was also burdened by dynamic marketing investments made as planned.

The significance of responsibility and domesticity in terms of consumers' choices has continued to increase. The Healthy Food Segment has, indeed, 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

	2022	2021
Net sales, M€	143.0	134.3
Western Europe, M€	64.1	63.1
Northern Europe, M€	67.9	59.8
Eastern and Central Europe, M€	11.0	10.4
Comparable EBIT, M€	18.0	18.4
Comparable EBIT of net sales, %	12.6	13.7
EBIT, M€	18.0	18.1
EBIT, %	12.6	13.5
Net assets, M€	**83.9**	**89.5**

Business operations, continuing operations

Western Europe

Net sales for the Western European operations amounted to EUR 64.1 (63.1) million. EBIT remained on relatively the same level as that of the comparison period.

Net sales for the Benecol business in the UK remained at the level of the comparison period, and EBIT also remained on relatively the same level as that of the comparison period. Growth was seen in Benecol spreads, which continued to expand their market share throughout the financial year. In Benecol yogurt drinks, net sales decreased slightly in the review period. The long-term work carried out in the UK market to increase Benecol's brand recognition resulted in a growing number of households purchasing Benecol products and improved sales volumes among existing customers during the financial year. Exceptionally high inflation in the UK had a negative impact on consumer purchasing power and retail sales figures during the review period, but despite Raisio's increased sales prices, both net sales and profitability remained at a high level compared to the comparison period. A slight decrease in total sales volume was seen during the review period.

Consumers in the UK have shifted their shopping towards 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 are faster than the younger age groups at increasing their share of online purchasing.

In Ireland, net sales increased significantly compared to the comparison period, with a significant improvement in EBIT. 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. Successful market investments also helped sales volumes remain at a good level in Ireland throughout the review period. Net sales and EBIT in Belgium increased in relation to the comparison period. The marketing investments in the distribution network in Belgium also generated increased sales during the review period. During the financial year, the higher production costs were successfully passed on to sales prices in Ireland and Belgium as well.

Northern Europe

Net sales for the Northern European operations amounted to EUR 67.9 (59.8) million. EBIT remained on relatively the same level as that of the comparison period. Despite the high comparison figures, among Raisio's strong brands Elovena in particular performed historically well in the market throughout the financial year. Sales of Elovena products grew by almost 30% compared to the comparison period. During the reporting period, good sales of the Elovena brand were especially boosted by oat products that bring added value, such as snack bars, drinks and spoonable products from the new production facility. During the review period, rapidly rising manufacturing costs were passed on to sales prices as planned to ensure profitability and thus business continuity. As inflation eroded consumers' purchasing power, Raisio's flakes and flour products saw a decline in sales volumes during the review period. In Benecol spreads, both sales volume and profitability decreased from the comparison period.

The sales volumes of plant proteins did not meet Raisio's expectations during the reporting 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 already in early 2023. In line with our strategy, we strongly believe that this category will see growth in the long term.

Eastern and Central Europe

Net sales for the Eastern and Central European operations totalled EUR 11.0 (11.4) million. Relative to the comparison period, profitability fell slightly.

Net sales and EBIT in Ukraine decreased significantly from the level of the comparison period. However, despite Russia's war of aggression, the financial year in Ukraine was relatively positive and business was kept running throughout the financial year. During the reporting period, the decline in consumers' disposable income and, consequently, purchasing power was reflected as a decrease in sales volumes. The economic situation of Ukraine also deteriorated significantly over the past year. The currency devaluation carried out by the Ukrainian central bank during the financial year had a negative impact on the development of net sales and profitability. The decrease in net sales was also naturally affected by the reduction in the population of the country due to refugees as the war dragged on. Raisio will continue its sales in Ukraine to the extent permitted by the local conditions. Raisio will continue to support Ukraine and prioritise deliveries to Ukraine within production and its order and delivery chain.

Net sales in Poland increased clearly from the level of the comparison period. EBIT remained on relatively the same level as that of the comparison period, albeit still negative. In Poland, Raisio's net sales grew steadily throughout the year. During the financial year, cost pressures were caused by high inflation in Poland, as a result of which we successfully passed on the higher production costs to sales prices. The market share of Benecol spreads increased and Raisio launched a new Benecol yogurt drink during the reporting period. During the financial year, Elovena Gluten Free products also gained a foothold in the Polish market. We see good growth potential for the product category, although sales volumes are still relatively low. The increased distribution coverage to different shops and updated commercial terms and conditions in the reporting period provide good growth outlooks 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 financial year, Raisio gained its first new listing in the form of distribution through the discounter channel, and the aim for the future is to gain a stable position within these markets.

Healthy Ingredients Segment

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

Financial development, continuing operations

The Healthy Ingredients Segment's net sales totalled EUR 115.7 (96.6) million. Net sales were significantly boosted by both domestic and international sales of grain products to bakeries and industrial and catering customers. The development of the sales of oat products and gluten-free oat products also continued to be strong. In the industrial sales of plant proteins, net sales were still low. However, the growth prospects for the product category are good and Raisio's plant protein development programme is continuously bringing new products to the market. Raisio's plant stanol ester deliveries to license partners increased from the comparison period, primarily as a result of timing of the deliveries. The sales of the entire Healthy Ingredients Segment increased significantly in relation to the comparison period.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 3.4 (6.3) million, which accounted for 2.9 (6.6) per cent of net sales. EBIT was EUR 3.4 (5.6) million, which accounted for 2.9 (5.8) per cent of net sales. During the financial year, the prices of grain raw materials that are essential for Raisio saw exceptionally strong fluctuations. In the early part of the year, these fluctuations were mainly driven by the exceptionally poor harvest in the 2021 growing season, Russia's war of aggression and the subsequent energy crisis in Europe and rising costs. In addition to cost impacts, this also had an effect on the availability and quality of grain raw materials, as well as on related production factors, such as packaging, logistics and energy. However, due to the good harvest in Finland in 2022, grain quality and yield improved significantly towards the end of the year, also easing cost pressures significantly and returning profitability to a better level in this respect. In terms of the production factors, the above cost pressures are still ongoing.

To address price and availability issues in particular, Raisio worked actively and interactively throughout the year with its internal and external stakeholders throughout the value chain. The rapidly rising production costs in the early part of the year were passed on to sales prices as quickly as possible. In terms of the availability of raw materials and packaging, we succeeded in safeguarding the continuity of our business activities within this challenging market situation. During the financial year, Raisio also enhanced its own production capabilities and updated the commercial terms and conditions of the grain trade, including an advance payment agreement for Raisio's contract farmers. The carbon-neutral steam production launched during the summer of 2021 at Nokia's mills has, in a short time span, proven its usefulness as a means of ensuring the availability of cost-effective energy.

KEY FIGURES FOR THE HEALTHY INGREDIENTS SEGMENT

	2022	2021
Net sales, M€	115.7	96.6
Comparable EBIT, M€	3.4	6.3
Comparable EBIT of net sales, %	2.9	6.6
EBIT, M€	3.4	5.6
EBIT, %	2.9	5.8
Net assets, M€	118.4	109.1

Business operations, continuing operations

BtoB sales of grain and plant protein products

Raisio's sales of grain-based products to Finnish bakeries and industrial and catering customers increased dramatically. During the financial year, cost pressures were significant in terms of the cost, availability and quality of grain raw materials as well as production factors, such as packaging, logistics and energy. The poor quality of the 2021 harvest still affected mill product yields in July and August, reducing profitability. However, due to the good harvest in Finland in 2022, grain quality and yield improved significantly towards the end of the year, also easing cost pressures significantly and returning profitability to its usual level in this respect. To address price and availability issues in particular, Raisio worked actively and interactively throughout the year with its internal and external stakeholders throughout the value chain, while ensuring business continuity. During the financial year, Raisio also enhanced its own production capabilities and updated the commercial terms and conditions of the grain trade. In the industrial sales of plant proteins, sales volumes were still modest, but the plant protein development programme is constantly bringing new products to the market.

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 significantly 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

It was a very exceptional year for the grain market, with unprecedented fluctuations in grain prices. The main factors causing this instability were the exceptionally poor harvest in the 2021 growing season, which had a significant impact on availability throughout the spring and summer, the outbreak of the war and the subsequent energy crisis and cost increases.

Market and grain procurement is divided into two very different periods. The early part of the year until the autumn was characterised by scarcity, poor quality and exceptionally high prices for domestic grains. However, the summer grain harvest was normal and of good quality. Grain supply increased markedly towards the end of the year, and prices fell somewhat during the autumn from the exceptionally high levels of the spring.

The grain used by Raisio is, with the exception of durum wheat used in the production of pasta, of Finnish origin. The grain is sourced from contract farmers, Finnish grain farms, and to some extent also from the grain trade. Thanks to the good harvest in 2022, we returned to buying directly from farms in southwest Finland for the rest of the year.

Administration and management

Board of Directors and Supervisory Board

As of the Annual General Meeting on 12 April 2022, the number of members of the Board of Directors was five. Erkki Haavisto, Leena Niemistö, Ann-Christine Sundell, Pekka Tennilä and Arto Tiitinen served as Board members throughout the financial year 2022.

Arto Tiitinen was elected as Chairperson of the Board and Ann-Christine Sundell as Deputy Chairperson, effective from 12 April 2022 onwards.

In 2022, all the Board members were independent of the company and its major shareholders.

Paavo Myllymäki served as Chairperson of the Supervisory Board and Holger Falck as Deputy Chairperson for the financial year 2022.

Group Executive Committee

The Group Executive Committee in 2022 consisted of CEO Pekka Kuusniemi and Chief Operating Officer Virpi Aaltonen; Chief Business Officer (Elovena, Beanit & Communications) Annika Boström-Kumlin; Chief Legal Officer Sari Koivulehto-Mäkitalo; Chief Business Officer (Benecol & New Business) Mikko Lindqvist; Chief Financial Officer Mika Saarinen; Chief Customer Officer Iiro Wester and Chief People Officer Taru Ämmälä.

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 approved on 16 March 2022 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' preemptive subscription right. The 239,854 free shares conveyed in the share issue corresponded 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 until the value of their holdings corresponds to their six months' gross salary.

Cancellation of treasury shares

Under the Limited Liability Companies Act, the Board of Directors may decide to cancel all treasury shares. By decision of the Board of Directors on 9 February 2022, the company has cancelled 5,000,000 of the free shares held by the company and all 212,696 restricted shares held by the company. The cancellation was entered into the Trade Register on 2 March 2022.

Report on non-financial information

Business model

Raisio is an international company, and our purpose, "Food for Health, Heart and Earth", guides our operations. The company's key markets are in Europe and its five production plants are located in Finland. Raisio's strategy is based on three focus areas: Benecol® and plant stanol ester solutions, value added oats and ingredients and plant proteins.

Personnel

The Raisio Group's continuing operations employed 344 (322) people at the end of 2022. A total of 14 (15) per cent of employees worked outside Finland. Raisio's wages and fees for continuing operations in 2022 totalled EUR 24.6 (24.6) million including other personnel expenses.

Key goals and results of sustainable development

Raisio's responsibility reporting is built around the themes of the Good Food Plan, and we apply the standards of the Global Reporting Initiative in our reporting. Raisio's corporate responsibility programme – the Good Food Plan – has five themes: Environmentally Friendly Packaging, Healthy Food, Food Professionals, Sustainable Food Chain and Environment & Climate Action. The Good Food Plan covers the same period as Raisio's strategy period, until the end of 2025.

At the Raisio Group, we are committed to supporting the UN's Sustainable Development Goals, such as responsible consumption, health and well-being, sustainable industry and climate action. Within our sphere of influence, we also support and implement the UN's basic values related to human rights, working life principles, the environment and anti-corruption.

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

We will publish more detailed non-financial information and the objectives, policies and progress of the Good Food Plan in the week of 20 March as part of Raisio's Annual Review.

Risk management

Raisio's risk management was renewed, and the new model has been applied from the beginning of 2022 onwards. Efforts have been made to more comprehensively identify the categories of risks affecting our operations, as well as the associated risks and management measures. In this way, we aim to ensure that risks are examined comprehensively from different perspectives and that the most significant risk scenarios are genuinely identified, anticipated and managed.

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

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.

Short-term risks and sources of uncertainty

The pandemic situation currently appears to be dragging out but normalising, and we no longer feel that it poses any new risks to our business. The impacts of the war initiated by Russia are discussed in the section of this bulletin entitled "Ukraine War".

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

Events following the financial year

Raisio had no reported events after the financial year.

Outlook 2023

Raisio is expecting comparable net sales and profit to increase from the previous year.

Board of directors' proposal for the distribution of profits

The parent company's distributable assets based on the balance sheet on 31 December 2022 totalled EUR 130,303,422.10.

The Board of Directors proposes that a dividend of EUR 0.14 per share, of which EUR 0.06 as an extra dividend, be paid from the parent company's retained earnings. Hence, the proposed dividend will total EUR 22,391,086.76, and EUR 107,912,335.34 will be left in the profit account. However, no dividends will be paid on the shares held by the company on the record date 24 April 2023. The payment date of the dividend is proposed to be 3 May 2023.

In Raisio, Finland, 7 February 2023

Raisio plc
Board of Directors

Information required in the Companies Act and Decree of the Ministry of Finance on the regular duty of disclosure of an issuer of a security, such as information regarding share classes, shareholders and share trading, close associates, company shares held by the company and their acquisitions and transfers as well as key figures, are presented in sections *Shares and shareholders* and *Key financial indicators and reconciliations*, part of the official Annual Review. The company's Corporate Governance Statement has been issued as a separate report.

Shares and shareholders

This section includes the notes related to shares and shareholders as well as key figures per share and their calculation formulas.

Shares and shareholders

Raisio plc's shares are listed on Nasdaq Helsinki Ltd. Raisio's market value at the end of 2022 was EUR 402.2 million. Overall trading totalled nearly EUR 80.4 million. The closing price of free shares on 31 December 2022 was EUR 2.49, and that of restricted shares EUR 2.62. The Board of Directors' dividend proposal for the spring 2023 Annual General Meeting is EUR 0.14 per share, of which EUR 0.08 is the basic dividend in accordance with the company's dividend policy and EUR 0.06 the supplementary dividend.

Share capital and share classes

The fully paid-up share capital of Raisio plc is EUR 27,776,072.91, which on 31 December 2022 was divided into 30,701,070 restricted shares (series K) and 129,235,264 free shares (series V). No nominal value is quoted for the shares. Restricted shares accounted for 19.2% of the share capital and 82.6% of the votes, while the corresponding figures for free shares were 80.8% and 17.4% (on 31 December 2022). The company's minimum share capital is EUR 25,000,000 and maximum share capital EUR 100,000,000. The share capital can be raised or lowered within these limits without amending the Articles of Association. There were no changes in the share capital during 2022. The company has not issued securities that entitle the holder to shares.

Raisio plc's shares are listed on Nasdaq Helsinki Ltd (hereafter: Stock Exchange) in the public trading under the sector Consumer Goods and sub-industry of Food Products. The company's free shares are quoted in the Mid Cap segment and its restricted shares on the Prelist. The trading code for free shares is RAIVV and the ISIN code FI 0009002943, and for restricted shares RAIKV and FI 0009800395. The company's shares have been entered into the book-entry system.

Free and restricted shares have an equal entitlement to equity and profits. At the Annual General Meeting (AGM), each restricted share entitles the holder to 20 votes and each free share to one vote. At the AGM, no shareholder's shares may account for more than one tenth of the total number of votes of the shares represented at the meeting.

The assignment of restricted shares must be approved by the Board of Directors (Board). The approval is required even if the party who the shares are assigned to already owns restricted shares in the company. The approval must be given if the share recipient is a natural person whose primary occupation is farming.

The Board may also convert restricted shares into free shares on request and likewise give advance information on whether the applicant will be granted permission to acquire restricted shares. In 2022, a total of 46,858 restricted shares were converted into free shares. In the book-entry system, restricted shares for which the approval procedure is in progress or the approval has not been sought will be retained on the waiting list until they are entered as restricted shares in the share register following approval, assigned to another shareholder or converted into free shares. There were 8.6 million restricted shares on the waiting list on 31 December 2022.

BREAKDOWN OF SHARES AND VOTES BY SERIES
31 DECEMBER 2022

	No. of shares	% of shares	% of votes
Free shares	129,235,264	80.8	17.4
Restricted shares	30,701,070	19.2	82.6
Total	**159,936,334**	**100.0**	**100.0**

Ownership structure

At the end of 2022, Raisio plc had 37,597 registered shareholders (31 December 2021: 35,089). At the end of 2022, the proportion of the company's share capital under foreign ownership and nominee registrations was 18.1% (31 December 2021: 18.4%). 0.1 per cent of free shares and 1.9 per cent of restricted shares remain outside the book-entry system.

Shares held by management

The members of the Board of Directors and Supervisory Board and the CEO, as well as the companies and foundations of which they have control, held a total of 767,688 restricted shares and 548,350 free shares on 31 December 2022. This equals 0.8 per cent of all shares and 2.1 per cent of the total number of votes.

BREAKDOWN OF OWNERSHIP STRUCTURE ON 31 DECEMBER 2022 BY OWNER GROUP

	%
Households	50.0
Foreign owners [2]	18.1
Private enterprises [3]	8.8
Financial and insurance institutions [1]	5.6
Non-profit organisations	3.0
Waiting list and joint account	5.9
Public entities	8.6

[1] excluding nominee-registered
[2] including nominee-registered
[3] including the shares held by the company

BREAKDOWN OF OWNERSHIP STRUCTURE ON 31 DECEMBER 2022 BY NUMBER OF SHARES HELD

	Free shares				Restricted shares			
Shares	Shareholders		Shares		Shareholders		Shares	
no.	no.	%	no.	%	no.	%	no.	%
1–1,000	24,417	67.9	9,892,084	7.7	2,363	57.9	825,354	2.7
1,001–5,000	9,113	25.3	21,435,805	16.6	1,094	26.8	2,643,591	8.6
5,001–10,000	1,477	4.1	10,946,412	8.5	324	7.9	2,301,292	7.5
10,001–25,000	671	1.9	10,522,899	8.1	207	5.1	3,290,681	10.7
25,001–50,000	179	0.5	6,341,997	4.9	57	1.4	1,882,054	6.1
50,001–	123	0.3	69,917,797	54.1	38	0.9	10,533,537	34.3
waiting list							8,636,833	28.1
joint account			178,270	0.1			587,728	1.9
total	35,980	100.0	129,235,264	100.0	4,083	100.0	30,701,070	100.0

On 31 December 2022, Raisio plc had a total of 37,597 registered shareholders (35,089 on 31 December 2021).

25 LARGEST SHAREHOLDERS ON 31 DECEMBER 2022 ACCORDING TO THE SHAREHOLDERS' REGISTER

Shareholders	Series K	Series V	Total	%	Votes	%
Varma Mutual Pension Insurance Company	0	5,252,083	5,252,083	3.28	5,252,083	0.71
The Central Union of Agricultural Producers and Forest Owners (MTK)	3,733,980	199,000	3,932,980	2.46	74,878,600	10.07
Niemistö Kari Pertti Henrik	60,000	2,840,000	2,900,000	1.81	4,040,000	0.54
Veritas Pension Insurance	0	2,593,300	2,593,300	1.62	2,593,300	0.35
Ilmarinen Mutual Pension Insurance Company	0	2,030,000	2,030,000	1.27	2,030,000	0.27
Aktia Capital Fund	0	1,963,647	1,963,647	1.23	1,963,647	0.26
Relander Pär-Gustaf	0	1,855,068	1,855,068	1.16	1,855,068	0.25
Elo Mutual Pension Insurance Company	0	1,741,793	1,741,793	1.09	1,741,793	0.23
The State Pension Fund of Finland	0	1,300,000	1,300,000	0.81	1,300,000	0.17
Nordea Pro Finland Fund	0	1,159,693	1,159,693	0.73	1,159,693	0.16
Maa- ja vesitekniikan tuki ry	0	1,000,000	1,000,000	0.63	1,000,000	0.13
Oy Etra Invest Ab	0	1,000,000	1,000,000	0.63	1,000,000	0.13
Laakkonen Mikko Kalervo	0	826,823	826,823	0.52	826,823	0.11
Svenska lantbruksproducenternas centralförbund SLC rf.	772,500	0	772,500	0.48	15,450,000	2.08
Langh Hans Christian	679,980	0	679,980	0.43	13,599,600	1.83
Saari Markku Samuel	601,973	1,810	603,783	0.38	12,041,270	1.62
Keskitien Tukisäätiö	100,000	500,000	600,000	0.38	2,500,000	0.34
Haavisto Maija Helena	393,120	195,099	588,219	0.37	8,057,499	1.08
Haavisto Heikki Johannes, estate	579,656	0	579,656	0.36	11,593,120	1.56
OP-Finland Small Cap Fund	0	563,037	563,037	0.35	563,037	0.08
Seafarers' Pension Fund	0	543,751	543,751	0.34	543,751	0.07
Aktia Secura Fund	0	523,000	523,000	0.33	523,000	0.07
Haavisto Erkki	364,940	156,772	521,712	0.33	7,455,572	1.00
Säästöpankki Kotimaa Fund	0	519,255	519,255	0.32	519,255	0.07
Brotherus Ilkka Johannes	42,540	409,500	452,040	0.28	1,260,300	0.17

Shares registered under foreign ownership, including nominee registrations, totalled 28,953,174, or 18.1 % of the total number of shares and 22.4% of free shares. Raisio plc owned 1,223,722 shares, which represents 0.77% of the total number of shares. The members of the Board of Directors and Supervisory Board and the CEO, as well as the companies and foundations of which they have control, held a total of 767,688 restricted shares and 548,350 free shares on 31 December 2022. This equals 0.8 per cent of all shares and 2.1 per cent of the total number of votes.

Shareholder agreements
The Board is not aware of any valid agreements related to the ownership of the company's shares and the use of voting power.

Dividend policy and dividend
Raisio plc aims to pay an annual dividend of 50–100 per cent of earnings per share (EPS) for its continuing operations. In addition, the Board of Directors may propose an extra dividend to be distributed. The payment of dividends under the dividend policy is subject to the condition that the payment does not compromise the company's financial position or the achievement of strategic objectives.

The AGM held in April 2022 decided on a dividend of EUR 0.14 per share, including an extra dividend of EUR 0.04 per share. The dividend was paid to shareholders on 26 April 2022; however, no dividend was paid on the shares held by the company.

The Board's dividend proposal for the spring 2023 AGM is EUR 0.14 per share, of which EUR 0.08 is the basic dividend in accordance with the company's dividend policy and EUR 0.06 the supplementary dividend. The record date is 24 April 2023 and the payable date 3 May 2023.

Raisio shares traded on Stock Exchange in 2022
The highest price of the series V share was EUR 3.44, the lowest EUR 1.82 and the average price EUR 2.30. The year-end price of the V share was EUR 2.49. A total of 33.5 million V shares were traded (26.9 million in 2021). The value of share trading was EUR 77.0 million (EUR 102.3 million in 2021).

The highest price of the series K share was EUR 3.57 and the lowest EUR 1.86 and the average price was EUR 2.50. The year-end price of the K share was EUR 2.62. A total of 1.3 million K shares were traded (1.9 million in 2021), and the value of share trading was EUR 3.4 million (EUR 7.1 million in 2021).

At the end of 2022, the share capital had a market value of EUR 402.2 million (EUR 557.8 million in 2021), and EUR 399.2 million (EUR 535.2 million in 2021) excluding the shares held by the company.

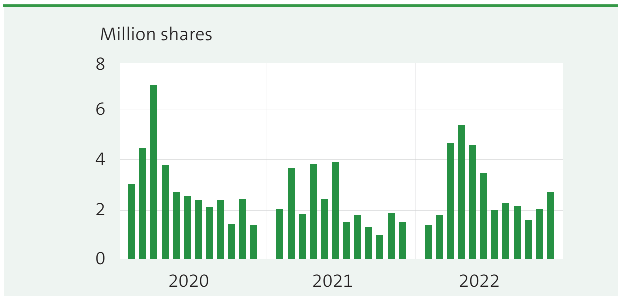
Company shares
At the end of the review period, Raisio plc held 1,223,722 free shares but no restricted shares. The number of free shares held by Raisio plc accounts for 0.9 per cent of all free shares and the votes they represent. The holding represents 0.8 per cent of the total share capital and 0.2 per cent of overall votes. The other Group companies do not hold any Raisio plc shares.

Raisio plc and its subsidiaries do not have any company shares as collateral, nor have they had any during the review period.

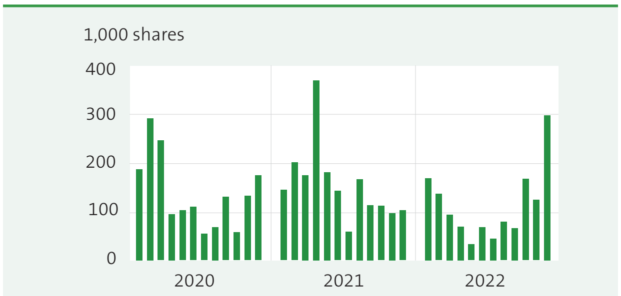
Raisio plc's Research Foundation holds 150,510 restricted shares, which is 0.5 per cent of the restricted shares and the votes they represent and, correspondingly, 0.1 per cent of the entire share capital and 0.4 per cent of the votes it represents.

Acquisition and conveyance of own shares
Based on the authorisation given by the AGM 2022, the Board can acquire and/or accept as pledge in one or more lots a maximum of 6,250,000 shares at a time; of which up to 5,000,000 may be free shares and up to 1,250,000 restricted shares. The authorisation will be valid until the conclusion of the following Annual General Meeting and at the latest 30 April 2023. The number of own shares that can be purchased and/or accepted as collateral based on this authorisation totals

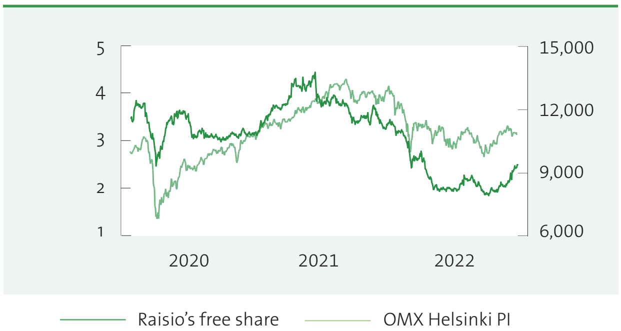
Trading volume, free share



Trading volume, restricted share



Share price development, EUR, free share



Share price development, EUR, restricted share

3.9 per cent of all shares and 4.0 per cent of the votes they represent.

The shares may be acquired in order to develop the capital structure of the company, finance or carry out acquisitions or other arrangements, implement share-based incentive schemes or be otherwise further assigned or cancelled.

The Board has the right to repurchase the company's own shares in a proportion other than that of the share classes and decide on the order in which the shares are to be repurchased. The shares may be purchased otherwise than in proportion to the holdings of the shareholders.

During the financial period, the Board has not exercised its authorisation to repurchase the company's own shares or accept them as collateral. Furthermore, the Board has not purchased or accepted as collateral any shares during the financial period based on the authorisation granted by AGM 2021 and expired on 12 April 2022.

In the financial period, a total of 16,765 free shares were assigned to the Chairperson and members of the Board as part of the compensation for managing their duties, in line with the decision taken by the AGM in 2022. The value of free shares assigned as fees to the Board was EUR 35,990.15 at the time of the assignment.

Under the Limited Liability Companies Act, the Board of Directors may decide to cancel all treasury shares. By decision of the Board of Directors on 9 February 2022, the company has cancelled 5,000,000 of the free shares held by the company and all 212,696 restricted shares held by the company. The cancellation was entered into the Trade Register on 2 March 2022.

Forfeiture of Raisio plc shares held in the joint account

The shares of Raisio plc were included in the book-entry system on 26 November 1994. The shares that had not been recorded in the book-entry account designated by the shareholder by 25 November 1994 were held in a so-called joint account opened on behalf of the shareholders. The joint account was intended for the temporary storage of shares until the shareholders register their shares in their book-entry accounts.

Under the Limited Liability Companies Act, the General Meeting may decide that shareholders forfeit their rights to the shares in the joint account and the rights carried by them when ten years have passed from the date of registration and the entry into force of the current Limited Liability Companies Act. The current Limited Liability Companies Act entered into force on 1 September 2006.

On 12 April 2022, the AGM decided that the right to the shares in the joint account and the rights carried by them have been forfeited in accordance with Chapter 3, Section 14a(3) of the Limited Liability Companies Act for shares whose registration in the book-entry system had not been validly requested by 14:00 on 12 April 2022. If the share certificate had been lost, the request for registration of the shares had to be submitted by the above deadline and the request for conversion had to be completed by 16:00 on 30 November 2022.

On 12 April 2022, a total of 587,728 restricted shares and 178,270 free shares were registered in the joint account, corresponding to approximately 0.5 per cent of all Raisio plc shares and approximately 1.6 per cent of the votes attached to all shares. The forfeiture was limited to the number of shares indicated above, less the shares for which a valid registration request had been made before the decision of the AGM on the matter and for which the conversion request had been completed by 16:00 on 30 November 2022.

Share issue authorisation

The 2022 AGM authorised the Board to decide on the share issues by disposing of up to 6,400,000 free shares and up to 1,460,000 restricted shares held by the company, and by issuing a maximum of 10,000,000 new free shares.

The number of shares held by the company on 31 December 2022 and disposable under the authorisation equals 0.8 per cent of the share capital and 0.2 per cent of the votes it represents. The number of new shares that can be issued under the authorisation equals 6.3 per cent of the share capital and 1.3 per cent of the votes it represents.

The Board has been authorised to decide to whom and in what order the company's own shares are assigned and new shares issued. The Board may decide on the disposal of the company's own shares and the issue of new shares in a proportion other than that in which the shareholders have preferential rights to the company's shares if there is a weighty financial reason for a deviation from the company's point of view. The development of the company's capital structure, the financing or implementation of company acquisitions or other arrangements and the realisation of share-based incentive schemes can be considered to be weighty financial reasons from the company's point of view.

The Board may also decide on the disposal of the company's own shares in public trading on Nasdaq Helsinki Ltd (Stock Exchange) to raise funds to finance investments and possible company acquisitions.

The shares may also be assigned against compensation other than money, against a receipt or otherwise on certain terms and conditions.

The share issue authorisation will be valid until the conclusion of the next Annual General Meeting, but not later than 30 April 2023.

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 approved on 16 March 2022 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 corresponded 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 until the value of their holdings corresponds to their six months' gross salary.

Corporate Governance

Annual General Meeting and company management

The Annual General Meeting (AGM) is the company's highest decision-making body. It meets annually by the end of April to decide on the matters within its responsibilities, such as the adoption of the financial statements and consolidated financial statements, dividend distribution, discharge from liability, election of Board and Supervisory Board members and auditors, and the fees payable to them. Extraordinary General Meetings can be held if necessary.

The Board is responsible for the company's administration and the proper organisation of its operations. The Board is responsible for ensuring that the monitoring of the company's accounting and asset management has been properly arranged.

The Board consists of a minimum of five and a maximum of eight members elected by the AGM. Their term begins at the end of the AGM at which the election takes place and lasts until the end of the following AGM.

The Supervisory Board supervises the corporate administration run by the Board and CEO and gives the AGM a statement on the financial statements and auditor's report. The members of the company's Supervisory Board, who number 15 as a minimum and 25 as a maximum, are elected by the AGM, with the exception of personnel group representatives, for a term that begins at the AGM at which the election takes place and lasts until the end of the third AGM following the election. One-third of the members are replaced every year. The Supervisory Board also includes three members whom the personnel groups, formed by Raisio's employees in Finland, have elected as their representatives. Their term is approximately three years.

The body that elects the members of the Supervisory Board and the Board of Directors may make a new appointment decision at any time, meaning that the duties of a member or all members may be terminated before the term comes to an end.

The CEO runs the company's day-to-day administration in accordance with the Board's guidelines and regulations and the targets set by the Board (general authority), and is responsible for ensuring that the company's accounting complies with legislation and the asset management arrangements are reliable. The CEO is appointed and discharged by the Board. The CEO is appointed for an indefinite term.

Amendments to the Articles of Association

As a rule, the amendment of the Articles of Association requires that the proposed amendment is supported by at least two-thirds of the votes cast and the shares represented at the meeting. However, in order to amend sections 6, 7, 8, 9 and 18 of the Articles of Association, the decision must be made by a three-quarters majority of the votes cast and shares represented at two consecutive General Meetings held at least 20 days apart. In certain matters, the Limited Liability Companies Act requires a vote by classes of shares and shareholder approval. The Articles of Association have not been amended or proposed to be amended during 2022.

Share indicators

	2022	2021	2020
Undiluted earnings/share (EPS), € [1)]	0.03	0.13	0.15
Diluted earnings/share (EPS), € [1)]	0.03	0.13	0.15
Undiluted earnings/share (EPS), continuing operations, € [1)]	0.08	0.11	0.13
Diluted earnings/share (EPS), continuing operations, € [1)]	0.08	0.11	0.13
Undiluted comparable earnings/share (EPS), continuing operations, € [1)]	0.08	0.12	0.12
Undiluted earnings/share (EPS), discontinued operations, € [1)]	-0.05	0.02	0.02
Cash flow from business operations/share, € [1)]	0.07	0.22	0.22
Equity/share, € [1)]	1.66	1.77	1.71

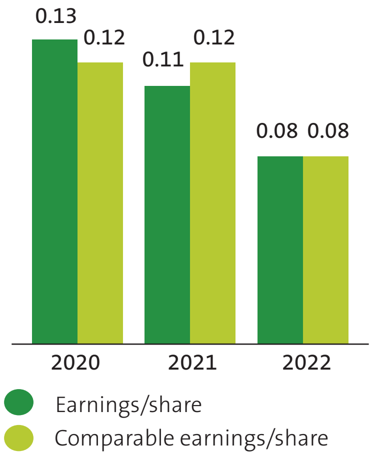
[1)] The number of shares used in the indicator excludes company shares held by the Group
Dividend per share, 2022: Dividend of EUR 0.14 per share, including an extra dividend of EUR 0.06 per share, as proposed by the Board of Directors
Dividend per share, 2021: 0.14 per share, including an extra dividend of EUR 0.04 per share

Share indicators

	2022	2021	2020
Dividend/share, €	0.14	0.14	0.13
Dividend/earnings, %	464.2	105.7	87.4
Dividend/earnings, continuing operations, %	177.3	122.6	101.9
Effective dividend yield, %			
Free shares	5.6	4.2	4.1
Restricted shares	5.3	4.1	4.0
P/E ratio			
Free shares	82.6	25.4	21.4
Restricted shares	86.9	25.7	21.9
Adjusted average quotation, €			
Free shares	2.30	3.80	3.22
Restricted shares	2.50	3.78	3.26
Adjusted lowest quotation, €			
Free shares	1.82	3.20	2.43
Restricted shares	1.86	3.19	2.47
Adjusted highest quotation, €			
Free shares	3.44	4.49	3.87
Restricted shares	3.57	4.40	3.86
Adjusted quotation 31 December, €			
Free shares	2.49	3.37	3.19
Restricted shares	2.62	3.41	3.25
Market capitalisation 31 December, M€ [1)]			
Free shares	318.7	430.4	402.6
Restricted shares	80.4	104.9	101.5
Total	399.2	535.2	504.1
Trading, M€			
Free shares	77.0	102.3	114.9
Restricted shares	3.4	7.1	5.5
Total	80.4	109.5	120.4
Number of shares traded			
Free shares, 1,000 shares	33,501	26,909	35,731
% of total	26.2	20.1	26.7
Restricted shares, 1,000 shares	1,345	1,885	1,673
% of total	4.4	6.1	5.3
Average adjusted number of shares, 1,000 shares [1)]			
Free shares	127,935	127,268	126,180
Restricted shares	30,705	30,933	31,236
Total	158,640	158,201	157,416
Adjusted number of shares 31 December, 1,000 shares [1)]			
Free shares	128,012	127,708	126,213
Restricted shares	30,701	30,748	31,233
Total	158,713	158,456	157,446

[1)] Number of shares, excluding the company shares held by the Group

EARNINGS/SHARE, EPS (€)
continuing operations, 2020–2022



EQUITY/SHARE (€)
2020–2022

DIVIDEND/SHARE (€)
2020–2022

*) Board's dividend proposal

Calculation of share indicators

Undiluted earnings per share

$$\frac{\text{Result for the financial year to parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$$

Undiluted comparable earnings per share

$$\frac{\text{Comparable result for the financial year to parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$$

Undiluted earnings per share, continuing operations

$$\frac{\text{Result from continuing operations for the financial year to parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$$

Undiluted comparable earnings per share, continuing operations

$$\frac{\text{Comparable result from continuing operations for the financial year to parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$$

Undiluted earnings per share, discontinued operations

$$\frac{\text{Result from discontinued operations for the financial year to parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$$

Cash flow from business operations per share

$$\frac{\text{Cash flow from business operations}}{\text{Average number of shares for the year, adjusted for share issue}}$$

Shareholders' equity per share

$$\frac{\text{Equity of parent company shareholders}}{\text{Number of shares on 31 December, adjusted for share issue}}$$

Dividend per share

$$\frac{\text{Dividend distributed for the financial year}}{\text{Number of shares at the end of the financial year}}$$

Dividend per earnings, %

$$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield, %

$$\frac{\text{Dividend per share, adjusted for share issue}}{\text{Closing price, adjusted for share issue}} \times 100$$

Price per earnings (P/E ratio)

$$\frac{\text{Closing price, adjusted for share issue}}{\text{Earnings per share}}$$

Market capitalisation

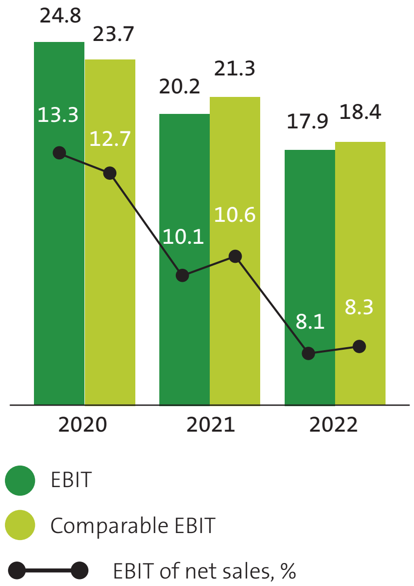
Closing price, adjusted for share issue
x number of shares on 31 December without company shares held by the Group

Key financial indicators and reconciliations

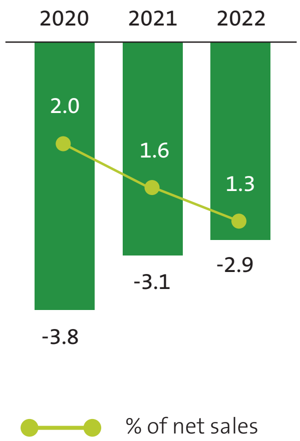
Key financial indicators

	2022	2021	2020
Result and profitability			
Net sales, EUR million	220.8	200.0	185.8
Change, %	10.4	7.7	0.3
International net sales, EUR million	114.8	115.2	108.6
% of net sales	52.0	57.6	58.5
Operating margin, EUR million	27.8	27.8	30.2
% of net sales	12.6	13.9	16.3
Comparable operating margin, EUR million	28.3	28.8	29.1
% of net sales	12.8	14.4	15.7
Deprecation and write-downs, EUR million	10.0	7.6	5.4
EBIT, EUR million	17.9	20.2	24.8
% of net sales	8.1	10.1	13.3
Comparable EBIT, EUR million	18.4	21.3	23.7
% of net sales	8.3	10.6	12.7
Result before taxes	15.0	21.1	25.2
% of net sales	6.8	10.6	13.6
Return on equity, %, continuing operations	4.6	6.5	7.4
Return on invested capital, ROIC, %	2.0	8.8	11.7
Comparable return on invested capital, ROIC, %	4.9	8.3	11.1
Return on invested capital, ROIC, %, continuing operations	5.5	8.0	10.8
Comparable return on invested capital, ROIC, %, continuing operations	5.6	8.4	10.2
Financing and financial position			
Shareholders' equity, EUR million	262.9	280.7	269.5
Interest-bearing financial liabilities, EUR million	27.0	29.1	10.2
Net interest-bearing financial liabilities, EUR million	-41.2	-60.0	-83.0
Balance sheet total, EUR million	331.9	354.4	314.6
Equity ratio, %	79.2	79.3	85.7
Net gearing, %	-15.7	-21.4	-30.8
Cash flow from business operations, EUR million	11.6	34.5	34.7
Cash flow from business operations per share, EUR million	0.07	0.22	0.22
Working capital, continuing operations	44.0	29.9	28.2
Other indicators			
Gross investments, EUR million	5.2	23.0	26.9
% of net sales	2.3	11.5	14.5
R&D expenses, EUR million	2.9	3.1	3.8
% of net sales	1.3	1.6	2.0
Average personnel	**342**	327	296

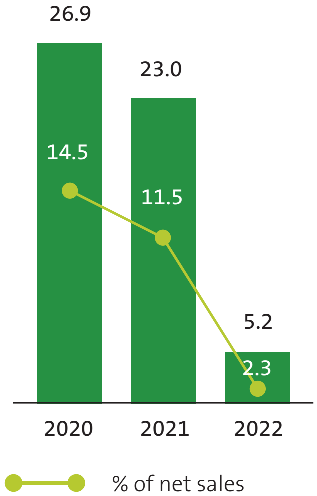
EBIT (EUR MILLION)
2020–2022



R&D EXPENSES (EUR MILLION)
2020–2022

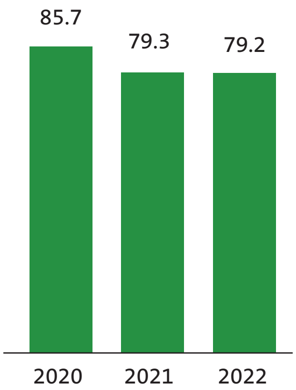


INVESTMENTS (EUR MILLION)
2020–2022

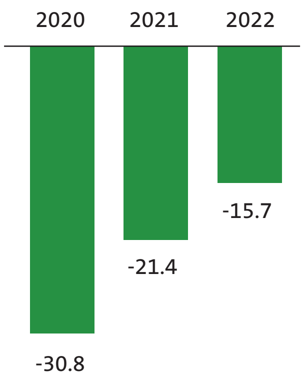


excluding acquisitions

EQUITY RATIO (%)
2020–2022



NET GEARING (%)
2020–2022



Quarterly earnings

(EUR million)	10–12/2022	7–9/2022	4–6/2022	1–3/2022	10–12/2021	7–9/2021	4–6/2021	1–3/2021
Net sales by segment								
Healthy Food	35.6	36.7	35.1	35.6	35.2	34.0	33.1	32.0
Healthy Ingredients	29.1	29.6	29.4	27.6	26.7	25.3	24.0	20.7
Other Operations	0.6	0.5	0.5	0.5	0.4	0.3	0.3	0.4
Interdivisional	-9.7	-10.3	-9.4	-10.5	-8.6	-8.8	-7.5	-7.6
Total net sales	**55.6**	**56.5**	**55.5**	**53.2**	**53.8**	**50.8**	**49.9**	**45.5**
EBIT by segment								
Healthy Food	4.5	6.6	4.1	2.7	4.5	5.3	3.9	4.5
Healthy Ingredients	1.8	0.2	1.4	0.0	1.5	1.7	0.6	1.8
Other Operations	-0.4	-0.7	-1.0	-1.3	-1.4	-0.3	-1.1	-0.8
Interdivisional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total EBIT	**5.9**	**6.2**	**4.4**	**1.5**	**4.6**	**6.7**	**3.4**	**5.5**
Financial income and expenses, net	0.3	-0.7	-1.2	-1.3	0.1	0.0	0.5	0.3
Result before taxes	**6.2**	**5.5**	**3.2**	**0.2**	**4.7**	**6.7**	**3.9**	**5.7**
Income taxes	-1.1	-1.0	-0.2	-0.2	0.3	-1.3	-0.8	-1.2
Group result	**5.0**	**4.5**	**3.0**	**0.0**	**4.9**	**5.4**	**3.1**	**4.5**

(EUR million)	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	-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	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
Group result	**6.2**	**5.3**	**6.1**	**1.9**

Calculation of indicators

Alternative key figures

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 illustrates the economic profitability of operations and its development without items affecting comparability.

EBIT, %

$$\frac{\text{EBIT}}{\text{Net sales}} \times 100$$

The figure shows the relationship 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 + depreciation and impairment

EBITDA describes the earnings from business operations before depreciation, financial items and income taxes. EBITDA is an important indicator, showing how large a margin remains after deducting operating expenses from net sales.

Comparable EBITDA

EBIT +/- items affecting comparability + depreciation and impairment

Comparable EBITDA represents the earnings from business operations before depreciation, financial items and income taxes, without items affecting comparability.

Result before taxes

Earnings before income taxes presented in the IFRS consolidated statements.

Return on equity (ROE), %

$$\frac{\text{Result before taxes - income taxes}}{\text{Shareholders' equity (average over the period)}} \times 100$$

Return on equity measures the earnings for the financial period in proportion to equity. The figure shows the Group's ability to generate profits from the shareholders' investments.

Return on invested capital (ROIC), %

$$\frac{\text{Result for the period after taxes}}{\text{Operating cash* + net working capital + non-current assets}} \times 100$$

(*Operating cash approx. 4% of net sales)

Return on invested capital (ROIC) is a profitability or performance ratio that measures how much investors earn on the capital invested.

Return on invested capital (ROIC), %, comparable

$$\frac{\text{Result for the period after taxes +/- items affecting comparability}}{\text{Operating cash* + net working capital + non-current assets}} \times 100$$

(*Operating cash approx. 4% of net sales)

Return on invested capital (ROIC) is a profitability or performance ratio that measures how much investors earn on the capital invested.

Calculation of indicators

Return on invested capital (ROIC), %, continuing operations

$$\frac{\text{Result for the period after taxes, continuing operations}}{\text{Operating cash* + net working capital + non-current assets}} \times 100$$

(*Operating cash approx. 4% of net sales)

Return on invested capital (ROIC) is a profitability or performance ratio that measures how much investors earn on the capital invested.

Equity ratio, %

$$\frac{\text{Shareholders' equity}}{\text{Balance sheet total - advances received}} \times 100$$

Net interest-bearing financial liabilities

Interest-bearing financial liabilities - liquid funds and liquid financial assets at fair value through profit or loss

Net gearing, %

$$\frac{\text{Net interest-bearing financial liabilities}}{\text{Shareholders' equity}} \times 100$$

Reconciliations related to the cash flow statement

ADJUSTMENTS TO BUSINESS CASH FLOWS

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

(EUR million)	2022	2021
Impairment for intangible and tangible fixed assets	4.1	
Divestment losses/gains of subsidiary shares	5.0	
Capital gains and losses of fixed assets	-1.5	-0.1
Costs of share rewards	0.1	0.8
Other	-0.3	0.0
Total adjustments in cash flow statement	7.4	0.8

The 'Other' category of adjustments to business cash flows includes the adjustment for unrealised exchange rate gains and losses on purchases and sales and the adjustment for other non-payment-based items.

ACQUISITIONS AND DISPOSALS OF FIXED ASSETS OF CASH FLOW FROM INVESTING

(EUR million)	2022	2021
Acquisitions of fixed assets in total	-5.5	-24.2
Payments for investments of earlier financial periods (change in liabilities)	1.1	13.5
Acquired businesses		-7.0
Investments funded by lease commitments or other interest-bearing debt	-2.9	-1.5
Fixed asset acquisitions funded by cash payments	-7.3	-19.2
Capital gain and loss on fixed assets in the income statement	1.8	0.4
Balance sheet value of disposed asset	0.1	0.0
Consideration received from fixed asset divestments in the cash flow statement	1.9	0.4

DISPOSAL OF SUBSIDIARY SHARES OF CASH FLOW FROM INVESTING

(EUR million)	2022
Capital gain or loss in the income statement excluding expenses allocated to the sale	-3.6
Total net assets sold	3.6
Sales price	0.0
Proceeds in the cash flow statement adjusted by cash at the date of transfer	-2.8

RECONCILIATION OF LIABILITIES RELATED TO FINANCING ACTIVITIES

			Non-cash changes			
(EUR million)	31 December 2021	Cash flows	IFRS 16	Changes in exchange rates	Other changes	31 December 2022
Non-current liabilities	0.3	-0.1				0.2
Lease liabilities	28.8	-2.9	0.9	0.0	0.0	26.7
Total liabilities for financing activities	**29.1**	**-3.0**	**0.9**	**0.0**	**0.0**	**26.9**

Alternative key figures and items affecting comparability
Raisio presents alternative key figures to describe the financial performance and position and cash flows of its businesses in order to improve comparability between periods and 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 calculate alternative key figures without items affecting comparability in the Board of Directors' report, Financial Statements Bulletin, Half-Year Reports and Interim Reports. Items affecting comparability are income or expenses arising as a result of rare events. 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 recognised in the income statement according to the matching principle under the income or expense category. Management uses these alternative key figures to monitor and analyse business development, profitability and financial position.

Reconciliations of alternative key figures

ITEMS AFFECTING COMPARABLE EBIT, RAISIO GROUP

(EUR million)	2022	2021
Comparable EBIT	18.4	21.3
- Expenses related to business expansion	-0.5	
- Expenses related to restructuring		-0.5
- Expenses related to acquired businesses		-0.6
Items affecting comparability, in total	**-0.5**	**-1.0**
EBIT	**17.9**	**20.2**

ITEMS AFFECTING COMPARABLE EBITDA, RAISIO GROUP

(EUR million)	2022	2021
Comparable EBITDA	28.3	28.8
+/- Items affecting EBIT	-0.5	-1.0
Items affecting comparability, in total	**-0.5**	**-1.0**
EBITDA	27.8	27.8
+/- depreciation	-10.0	-7.6
EBIT	**17.9**	**20.2**

ITEMS AFFECTING COMPARABLE EBIT, HEALTHY FOOD SEGMENT

(EUR million)	2022	2021
Comparable EBIT	18.0	18.4
- Expenses related to restructuring		-0.2
Items affecting comparability, in total	**0.0**	**-0.2**
EBIT	**18.0**	**18.1**

ITEMS AFFECTING COMPARABLE EBIT, HEALTHY INGREDIENTS SEGMENT

(EUR million)	2022	2021
Comparable EBIT	3.4	6.3
- Expenses related to restructuring		-0.1
- Expenses related to acquired businesses and restructuring		-0.6
Items affecting comparability, in total	**0.0**	**-0.7**
EBIT	**3.4**	**5.6**


Elovena
ANNOSPIKAPUURO
OMENA & KANELI
Snabbgröt | Äpple & kanel
Suomalaista kauraa
Elovena
TÄYSJYVÄ
KAURAHIUTALE
Fullkornshavregryn
Elovena
KAURAJUOMA
KAHVIIN
Havredryck i kaffe
Hiilineutraalisti valmistettu
VAAHTOUTUVA BARISTA
Benecol
ALENTAA TEHOKKAASTI KOLESTEROLIA
Parasta ennen / Bäst före:
Benecol
ENTAA TEHOKKAASTI
LESTEROLIA
Benecol
Benecol
Elovena
RUNSAASTI KUITUA
PERSIKKA & PASSION
AB-KAURA-VÄLIPALA

Consolidated financial statements

Consolidated income statement (IFRS)

(EUR million)	Note	1–12/2022	1–12/2021
Net sales	2.2.1	**220.8**	**200.0**
Cost of sales		-167.0	-143.0
Gross profit		**53.8**	**57.0**
Sales and marketing expenses		-24.5	-21.3
Administration expenses		-9.9	-12.2
Research and development expenses		-2.9	-3.0
Other operating income and expenses	9.1.1	1.5	-0.3
EBIT		**17.9**	**20.2**
Financial income	5.1	1.0	2.8
Financial expenses	5.1	-3.8	-1.9
Result before taxes		**15.0**	**21.1**
Income taxes	6.1	-2.5	-3.1
Result for the period from continuing operations		**12.5**	**18.0**
Result for the period from discontinued operations		**-7.7**	**2.9**
Result for the period		**4.8**	**20.9**
Attributable to			
Equity holders of the parent company		4.8	**20.9**
Non-controlling interests			
Earnings per share from the profit attributable to equity holders of the parent company, EUR/share	7.3		
Undiluted earnings per share		0.03	0.13
Diluted earnings per share		0.03	0.13
Undiluted earnings per share, continuing operations		0.08	0.11
Undiluted earnings per share, discontinued operations		-0.05	0.02

Consolidated comprehensive income statement (IFRS)

(EUR million)	Note	1–12/2022	1–12/2021
Result for the financial period, continuing and discontinued operations		**4.8**	20.9
Other comprehensive income items			
Items that will not be reclassified to profit or loss			
Change in fair value of equity investments		0.6	0.4
Change in tax impact	6.3	-0.1	-0.1
Items that will not be reclassified to profit or loss		0.5	0.3
Items that may be subsequently transferred to profit or loss			
Change in value of cash flow hedging		1.5	0.0
Change in translation differences related to foreign companies		-2.5	5.8
Change in tax impact	6.3	-0.3	0.0
Items that may be subsequently transferred to profit or loss		-1.4	5.8
Total other comprehensive income items		**-0.9**	6.0
Comprehensive income for the period		**3.9**	26.9
Components of comprehensive income			
Equity holders of the parent company		3.9	26.9
Non-controlling interests			
Total		**3.9**	**26.9**

Consolidated balance sheet

(EUR million)	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Goodwill	4.1	47.0	49.6
Intangible assets	4.2	33.5	36.0
Tangible fixed assets	4.5.1	65.2	73.4
Tangible right-of-use assets	4.5.1	26.6	28.7
Equity investments	4.7	3.0	2.8
Deferred tax assets	6.2	3.7	3.9
		179.0	194.4
Current assets			
Inventories	4.8	42.8	37.9
Accounts receivable and other receivables	5.3.2	31.0	33.1
Derivative contracts	5.3.4	1.4	0.0
Financial assets at fair value through profit or loss	5.3.4	38.7	67.9
Liquid funds	5.3.5	31.9	21.1
		145.8	160.0
Assets classified as being held for sale		7.1	
TOTAL ASSETS		331.9	354.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	7.1		
Equity attributable to equity holders of the parent company			
Share capital		27.8	27.8
Premium fund		2.9	2.9
Reserve fund		88.6	88.6
Invested unrestricted shareholders' equity fund		20.8	10.2
Other funds		1.1	-0.6
Company shares		-2.9	-17.8
Translation differences		-17.3	-14.8
Retained earnings		141.9	184.4
		262.9	280.7
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	6.2	10.0	9.8
Non-current financial liabilities	5.3.6	23.7	25.9
		33.7	35.7
Current liabilities			
Accounts payable and other liabilities	5.3.7	31.0	34.2
Tax liability based on the taxable income for the period	6.1	0.1	0.4
Derivative contracts		0.1	0.2
Current financial liabilities		3.2	3.2
		34.4	38.0
Liabilities related to assets held for sale		0.9	
TOTAL LIABILITIES		69.0	73.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		331.9	354.4

Calculation of changes in shareholders' equity

(EUR million)	Share capital	Share premium reserve	Reserve fund	Invested unrestricted shareholders' equity fund	Other funds	Company shares	Translation differences	Retained earnings	Equity attributable to equity holders of the parent company
Shareholders' equity 1 January 2022	27.8	2.9	88.6	10.2	-0.6	-17.8	-14.8	184.4	280.7
Comprehensive income for the period									
Result for the period								4.8	4.8
Other comprehensive income items									
Items that will not be reclassified to profit or loss									
Change in equity investments					0.6				0.6
Change in tax impact					-0.1				-0.1
Items that may be subsequently transferred to profit or loss									
Change in value of cash flow hedging					1.5				1.5
Change in translation differences related to foreign companies							-2.5		-2.5
Change in tax impact					-0.3				-0.3
Total comprehensive income for the period	**0.0**	**0.0**	**0.0**	**0.0**	**1.7**	**0.0**	**-2.5**	**4.8**	**3.9**
Business activities involving shareholders									
Dividends								-22.2	-22.2
Unclaimed dividends								0.1	0.1
Cancellation of own shares				10.6		14.5		-25.2	0.0
Share-based payments						0.4		0.0	0.4
Total business activities involving shareholders	**0.0**	**0.0**	**0.0**	**10.6**	**0.0**	**14.9**	**0.0**	**-47.3**	**-21.8**
Shareholders' equity 31 December 2022	**27.8**	**2.9**	**88.6**	**20.8**	**1.1**	**-2.9**	**-17.3**	**141.9**	**262.9**

(EUR million)	Share capital	Share premium reserve	Reserve fund	Invested unrestricted shareholders' equity fund	Other funds	Company shares	Translation differences	Retained earnings	Equity attributable to equity holders of the parent company
Shareholders' equity 1 January 2021	27.8	2.9	88.6	8.0	-0.9	-19.6	-20.6	183.2	269.5
Comprehensive income for the period									
Result for the period								20.9	20.9
Other comprehensive income items									
Items that will not be reclassified to profit or loss									
Change in equity investments					0.4				0.4
Change in tax impact					-0.1				-0.1
Items that may be subsequently transferred to profit or loss									
Change in value of cash flow hedging					0.0				0.0
Change in translation differences related to foreign companies							5.8		5.8
Change in tax impact					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
Unclaimed 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**
Shareholders' equity 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

(EUR million)	Note	1–12/2022	1–12/2021
CASH FLOW FROM BUSINESS OPERATIONS			
Result before taxes, continuing and discontinued operations		6.5	24.7
Adjustments:			
Planned depreciation		10.3	8.4
Financial income and expenses		2.8	-0.9
Other adjustments	Page 64	7.4	0.8
Total adjustments		20.6	8.3
Cash flow before change in working capital		27.1	33.0
Change in working capital			
Increase (-) / decrease (+) in current receivables		-0.1	-3.8
Increase (-) / decrease (+) in inventories		-10.3	0.0
Increase (+) / decrease (-) in current interest-free liabilities		-1.8	4.8
		-12.3	1.1
Cash flow from business operations before financial items and taxes		14.8	34.1
Interest paid and payments for other financial expenses from business operations		-0.5	-0.5
Dividends received from business operations		0.3	0.2
Interest received and other financial income from business operations		0.5	0.4
Other financial items, net		-0.5	0.7
Income taxes paid		-3.0	-0.4
Net cash flow from business operations		11.6	34.5
CASH FLOW FROM INVESTMENTS			
Investment in tangible assets		-3.7	-9.7
Investment in intangible assets		-0.7	-1.0
Acquisition of subsidiaries less liquid funds at the time of acquisition	3.1		-7.0
Proceeds from transfer of shares in a Group company adjusted for liquid funds at the date of transfer		-2.8	
Proceeds from equity investments		0.4	0.4
Income from intangible and tangible assets		1.6	
Net cash flow from investments		-5.2	-17.3
Cash flow after investments		6.4	17.2
CASH FLOW FROM FINANCIAL OPERATIONS			
Other financial items, net		-0.1	1.4
Payments associated with the reduction in lease liability		-2.9	-1.5
Repayment of non-current loans		-0.1	-0.1
Dividends paid to shareholders		-22.1	-20.5
Net cash flow from investments		-25.2	-20.7
CHANGE IN LIQUID FUNDS		-18.8	-3.5
Liquid funds at the beginning of the period		89.0	93.2
Impact of changes in exchange rates		0.2	0.2
Impact of changes in the fair value of liquid funds		-2.3	-0.9
Liquid funds at the end of the period	5.3.5	68.1	89.0

The cash flow of the financial year 1 January–31 December 2022 includes a return of EUR 1.1 million in pension fund surplus from previous years. The cash flow of the comparison period 1 January–31 December 2021 includes EUR 2.8 million in other operating income from sales and EUR 2.3 million in tax refunds from previous years related to the UK business. The impact of exchange rate changes is eliminated in the cash flow statement by translating the opening balance sheet at the closing rate.

Elovena Dark Chocolate Soft Oat Bar is a delicious snack made from 100% Finnish oats, combining a soft texture with tasty ingredients. The high-fibre bar gives you plenty of energy.

Notes to the consolidated financial statements

The notes to the consolidated financial statements are grouped into sections according to their nature. In order to achieve better understanding of the calculation principles, Raisio describes the accounting policies in connection with the related note. The general accounting basis is disclosed as part of the note on the accounting policies for the financial statements, while the accounting policies that are closely related to a particular note are disclosed as part of that note. The notes to each section include the contents of the section, accounting policies and essential financial information, as well as key estimates and discretionary solutions if any were required.

This line indicates the accounting policies and key estimates and discretionary solutions.

1 Accounting policies for the consolidated financial statements

1.1 Raisio Group

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

The Raisio Group has three reportable segments: Healthy Food, Healthy Ingredients and Other Operations. The Other Operations include service functions that support the operational segments. Raisio Group is an international, European food industry company whose activities and values focus on the production of healthy and responsibly produced food. Raisio's own production facilities are located in Finland. Raisio has operations in approximately ten countries, and its products are exported to over 40 countries.

The Healthy Food Segment focuses on consumer brands. The Healthy Food Segment is a reportable segment that combines the operations of Western Europe, Northern Europe and Eastern and Central Europe. Of the consumer brands included in the Healthy Food Segment, the most international is Benecol, whose many different product variants meet the needs of Finnish and international consumers by providing a means of lowering cholesterol in a safe and proven way. The other well-known consumer brands in this segment, such as Elovena and Sunnuntai, emphasise the use of pure and healthy grains.

The Healthy Ingredients Segment includes the sale of the Benecol product ingredient, the sale of grain-based foods and their ingredient and the sale of the plant protein products of the Beanit and Härkis brands acquired during the comparison period 2021 to industrial and catering companies. In addition, production, procurement and the supply chain are reported as part of the Healthy Ingredients Segment.

In the spring of 2021, the Raisio Group updated its strategy and responsibility programme for 2022–2025. The new strategy period continues on Raisio's clear path of focusing on healthy and responsibly produced food. The Raisio Group's most important goal for the new strategy period is to grow while boosted by the new capabilities and new product categories made possible by investments realised in recent years. The Raisio Group's three strategic areas of focus are Benecol and plant stanol ester solutions, value-added oat products and ingredients, and plant-based products.

The Raisio Group's purpose and values guide the kind of future we build together – Food for Health, Heart and Earth. The company's values are courage, fairness and drive.

The consolidated financial statements have been prepared for the 12-month financial year of 1 January–31 December 2022. These financial statements were authorised for issue by Raisio plc's Board of Directors at its meeting on 7 February 2023. Under the Finnish Companies Act, shareholders are entitled to adopt or reject the financial statements at the Annual General Meeting held after the publication of the financial statements. The Annual General Meeting may also decide to amend the financial statements.

Copies of the financial statements are available at www.raisio.com and the parent company's head office in Raisio.

1.2 Accounting policies for the financial statements

Basis of presentation

Raisio's consolidated financial statements have been prepared according to the International Financial Reporting Standards (IFRS) and following the IAS and IFRS standards and SIC and

IFRIC interpretations in effect on 31 December 2022. The Raisio Group has applied the standard requirements and interpretations applicable to the Raisio Group that came into force during the financial period. The changes have not had a material impact on the Group's result of the financial period, its financial position or the presentation of the financial statements.

Presentation currency and presentation of figures
The currency used in the financial statements is the euro, and the statements are shown in EUR millions. The consolidated financial statements have been prepared based on original acquisition costs unless otherwise stated in the accounting policies. Figures presented in these financial statements have been rounded from exact figures and, consequently, the sum of figures presented individually can deviate from the presented sum figure. Key figures have been calculated using exact figures.

Income statement by function of expense
The Group's income statement is presented using the function of expense method. The separate functions are sales and marketing, administrative and R&D expenses. Costs of goods sold include wage, material, acquisition and other expenses incurred in connection with the production and acquisition of products. Administrative expenses include general administrative costs and Group management costs. Administrative expenses have been allocated to functions according to the matching principle.

EBIT
IAS 1 Presentation of Financial Statements does not define the concept of EBIT. The Group has defined it as follows: EBIT is the net amount which is formed when the costs of goods sold and operations expenses are deducted from net sales, and other operating income and expenses are added/deducted. All income statement items other than those mentioned above are presented below EBIT. Exchange rate differences and results due to derivatives and changes in their fair value are included in EBIT if they arise from business-related items. Otherwise, they are presented under financial items.

Government grants
Government grants related to the purchase of tangible and intangible fixed assets are recognised as a deduction of the carrying amounts of fixed assets when the Group has reasonable assurance of receiving the grants and the Group complies with the conditions for receiving the grant. Grants are recognised as lower depreciations within the asset's useful life. Other public subsidies are recognised through profit or loss under income for the accounting periods in which the related expenses and the right to receive the subsidy are generated.

1.3 Consolidation principles

Subsidiaries
In addition to the parent company, the consolidated financial statements include the companies in which the parent company owns more than half of the voting rights, directly or indirectly, or otherwise exercises control. Control is acquired when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the consolidated financial statements, mutual shareholding is eliminated using the acquisition method. The consideration transferred and the acquired company's identifiable assets and assumed liabilities are measured at fair value at the acquisition date. Costs related to the acquisition are recognised as an expense. Purchase price debt is measured at fair value at the acquisition date and classified as a liability. The liability is measured at fair value at the end of each reporting period, and gains and losses arising from the valuation are recognised through profit or loss.

Subsidiaries acquired during the financial period are included in the consolidated financial statements from the moment the Group acquires control, and the disposed subsidiaries until such control ends. Similarly, divested operations are included until the control ends.

Business transactions between the Group companies, internal receivables and liabilities, as well as internal distribution of profits and unrealised profits from the Group's internal deliveries are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated if the loss is due to impairment.

Non-controlling interests are valued at the amount corresponding to the proportionate share of the non-controlling interest. Comprehensive income for the period is allocated to parent company shareholders and the non-controlling interest even if the non-controlling interest was negative. The non-controlling interest in the shareholders' equity is presented as a separate item in the balance sheet under shareholders' equity. Changes in the parent company's ownership interest in its subsidiary that do not result in a loss of control are treated as equity transactions.

In a business combination completed in stages, the prior ownership interest is measured at fair value, and gain or loss arising from this is recognised through profit or loss. When the Group loses control of a subsidiary, any remaining investment is measured at fair value at the date when control is lost and the difference arising is recognised through profit or loss.

1.4 Accounting policies calling for management's judgement and main uncertainties related to the assessments

The preparation of financial statements according to the IFRS requires the management to use estimates and assumptions that affect the amounts of assets and liabilities and of income and expenses during the reporting period. The Group management may have to make judgement-based decisions relating to the choice and application of accounting policies for the financial statements. This applies in particular to cases where current IFRSs allow for alternative valuation, recording and presenting methods. Although estimates and assumptions are based on the management's best knowledge of current events, actual results may differ from the estimates used in the financial statements.

Judgements and estimates made in the preparation of the financial statements are based on the management's best judgement at the balance sheet date. They are based on previous experience and future expectations considered to be most likely at the balance sheet date. These include, in particular, factors related to the Group's financial operating environment affecting sales and cost levels. The Group monitors the realisation of these estimates and assumptions. Any changes in estimates and assumptions are entered during the period in which they have been detected.

For the 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, the fair value determination of the assets acquired in the business combination, the classification and presentation of assets and fair value determination in the business divestment, the amount of deferred tax asset and to what extent the tax asset can be recognised in the balance sheet, the determination of depreciation periods, the assessment of accounts receivable and inventories, and the determination of lease periods in lease accounting.

KEY ESTIMATES AND AREAS OF DISCRETION
1 JANUARY–31 DECEMBER 2022

Area of discretion	Object of discretion
Non-current assets held for sale and discontinued operations IFRS 5	Sale of the Healthy Foods Segment's Russian consumer business and the reporting and presentation of the Healthy Ingredients Segment's fish feed business, Sections 3.1 and 3.2
Impairment of intangible assets with indefinite useful lives	Healthy Food Segment's Western European goodwill and brands, and Healthy Ingredients Segment's goodwill, Section 4.4
Inventories	Valuation of inventories, Section 4.8
Financial risk management	Hedging against currency risk, Section 5.4
Recognition of deferred tax assets and liabilities	Current taxes and deferred tax assets from subsidiary losses, Sections 6.1 and 6.2

1.5 Foreign currency transactions and translations

Items included in the financial statements have initially been recognised in the functional currency determined for each Group company based on the primary economic environment in which they operate. The presentation currency in the financial statements is the euro, which is also the currency of the Group's parent company.

Business transactions in foreign currency

Foreign currency transactions are initially recognised in the functional currency using the transaction date exchange rate. In practice, the rate closest to the transaction date rate is often used. Foreign currency receivables and liabilities outstanding at the end of the financial year are measured using the closing date exchange rates.

Exchange rate gains and losses related to the actual business operations are treated as adjustments to sales or purchases except for the exchange rate differences arising from unrealised option and derivative contracts taken out to hedge foreign currency cash flows. These exchange differences are recognised in other comprehensive income, and accumulated foreign exchange differences are presented as a separate line item in equity until they are realised. Foreign currency exchange differences are recognised under financial income and expenses except for the exchange differences of the liabilities that have been determined to hedge the net investments in foreign operations and that are effective in it. These exchange differences are recognised in other comprehensive income, and accumulated foreign exchange differences are presented as a separate line item in equity until the foreign entity is partially or completely disposed of.

Conversion of financial statements in foreign currency

In the consolidated financial statements, income statements of foreign Group companies that do not have the euro as their functional currency are translated into euros using the average rate of the financial period. All balance sheet items, except for the result of the financial year, are translated into euros using the exchange rates at the balance sheet rates. Conversion of the financial year result and comprehensive income by using different exchange rates in the income statement, the statement of comprehensive income and the balance sheet result in a translation difference recorded under shareholders' equity in the balance sheet; the change is recorded in other comprehensive income under 'Translation differences'. Translation differences arising from the elimination of the acquisition cost of foreign entities and the conversion of items of equity accrued post-acquisition are recognised in other comprehensive income under 'Translation differences'. If a foreign entity is disposed of during the reporting period, the accumulated translation differences are recognised through profit or loss as part of the sales profit or loss when recording the corresponding disposal proceeds.

Goodwill generated by the acquisition of a foreign entity and adjustments related to fair values are treated as assets and liabilities in the local currency of the entity in question and converted using the reporting period's closing date exchange rates.

1.6 New and amended standards during the last financial period

The Raisio Group has applied the standard amendments and interpretations concerning the Raisio Group that came into force during the financial year. The IFRS standards and their amendments that entered into effect in 2022 have had no material impact on the Group's result for the financial year, financial position or presentation of the financial statements.

1.7 New and revised standards and interpretations applicable to future financial years

The IASB has published the following revised standards and interpretations, which are not yet effective and which the Group has not yet applied. The Group will adopt the amendments applicable to future financial years as of the effective date of the standard, or if the standard becomes effective in the middle of the financial year, as of the beginning of the financial year following the effective date.

- Amendments to IAS 1, Presentation of Financial Statements: accounting policies. The amendment clarifies the circumstances in which a change in accounting policy is material and should be disclosed.
- Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors: definition of accounting estimates. The amendment clarifies the definition and application of accounting estimates.

The above or any other published amendments to standards are not expected to have any material impact on the Group's result for the financial year, financial position or presentation of financial statements.

1.8 Effects of the Ukraine War on financial reporting

The Raisio Group's operational environment changed drastically when Russia invaded Ukraine in February 2022. The Raisio Group did not have any industrial activities of its own in the Russian or Ukrainian markets. Nevertheless, the war in Ukraine affected the Raisio Group directly and indirectly in various ways during the financial year 1 January–31 December 2022. The Ukraine War gave rise to significant uncertainty concerning the development of the Group's net sales and profitability in 2022. As a result of the geopolitical instability, the prices of grain raw materials that are essential for the Group saw strong fluctuation during the financial year. In addition to unprecedented cost impacts, this also had an effect on the availability of grain raw materials.

The Raisio Group suspended the export of foods and fish feeds to Russia at the start of March 2022. The suspension of export activities to Russia resulted in a loss of approximately 20 per cent of the Group's net sales. On 29 April 2022, the Raisio Group announced its decision to sell its consumer business in Russia due to the Russian invasion of Ukraine on 24 February 2022. The sale of the Russian consumer business was completed on 12 May 2022. In May 2022, the Raisio Group started preparations to sell the fish feed business of its subsidiary Raisioaqua Ltd and reported it as discontinued operations from the second quarter of 2022 onwards. Approximately 65 per cent of the fish feeds produced by Raisioaqua were exported to Northwest Russia.

1.9 Events following the financial period

The Raisio Group had no reported events after the financial year.

2 Income and segment information

The Note Income and Segment Information includes the notes on the income items related to net sales of continuing operations and the notes on the income and balance sheet items related to the segment information.

2.1 Information by segment

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

The products of the Healthy Food Segment and the Healthy Ingredients Segment are different, and the segments are managed as separate units, whose performance is regularly reviewed by the top management. The reportable segments are defined in accordance with the customer types and groups for the different products and services. The customers of the reportable segments are different and require different distribution channels and marketing strategies. The Healthy Food Segment is also reported to management on a geographical basis: Western Europe, Northern Europe, and Eastern and Central Europe.

Accounting policies

The segments are reported in a manner similar to internal reporting reviewed by the chief operating decision-maker. Management's internal reporting is prepared in accordance with the IFRS principles.

The Group Executive Committee that makes strategic decisions has been nominated as the chief operating decision-maker. The Executive Committee is responsible for allocating resources to the segments and evaluating their results. The reportable segments are based on the Group's business segmentation.

The Group assesses the business performance of the segments according to their EBIT; decisions on the resource allocation to the segments are also based on EBIT. EBIT is also considered an appropriate meter for comparing the segments' performance with other companies' similar businesses. The Group Executive Committee is the chief decision-maker and, as such, is responsible for allocating resources to the segments and evaluating their results.

The segments' assets and liabilities are items that the segment uses in its business operations or that can be reasonably allocated to the segments. Unallocated items include tax and financial items and items common to the entire Group. Inter-segment pricing is based on current market prices. Investments consist of additions to intangible assets that are used in more than one financial year.

Key estimates and discretionary solutions

The segment information is based on the reporting to management and requires discretion-based solutions concerning, among other things, the application of the aggregation criteria to the segments. The management has used discretion when determining that the Healthy Food Segment should be a single reportable segment. The net sales and EBIT of the segment in question are also reported to management on the basis of geographical distribution. However, the aggregation criteria for the segments are considered to have been met since the revenue is comprised of sales of healthy products for consumers in all areas, utilising the same types of central wholesale businesses and other distribution channels. The long-term financial performance is not considered to differ significantly between the areas.

INCOME STATEMENT INFORMATION BY SEGMENT, 2022

1 January–31 December 2022 (EUR million)	Healthy Food	Healthy Ingredients	Other Operations	Eliminations	Group total
External sales					
Sales of goods	142.7	75.9			218.6
Sales of services		0.0	1.6		1.6
Royalties	0.2		0.4		0.6
Total external sales	**143.0**	**75.9**	**2.0**		**220.8**
Internal sales	0.0	39.9		-39.9	0.0
Net sales	**143.0**	**115.7**	**2.0**	**-39.9**	**220.8**
Depreciation	-0.6	-7.3	-2.0		-10.0
Total depreciation and impairment	**-0.6**	**-7.3**	**-2.0**	**0.0**	**-10.0**
Segment EBIT	**18.0**	**3.4**	**-3.5**	**0.0**	**17.9**
Reconciliation					
Segment EBIT					17.9
Financial income and expenses					-2.9
Taxes					-2.5
Discontinued operations					-7.7
Result for the period					**4.8**

The Other Operations Segment’s EBIT includes a total of EUR 0.5 million in costs related to business expansion.

INCOME STATEMENT INFORMATION BY SEGMENT, 2021

1 January–31 December 2021 (EUR million)	Healthy Food	Healthy Ingredients	Other Operations	Eliminations	Group total
External sales					
Sales of goods	134.1	64.3			198.4
Sales of services			1.1		1.1
Royalties	0.2		0.4		0.6
Total external sales	**134.3**	**64.3**	**1.5**		**200.0**
Internal sales		32.4		-32.4	0.0
Net sales	**134.3**	**96.6**	**1.5**	**-32.4**	**200.0**
Depreciation	-0.6	-5.0	-1.9		-7.6
Impairment	0.0	0.0			0.0
Total depreciation and impairment	**-0.6**	**-5.0**	**-1.9**	**0.0**	**-7.6**
Segment EBIT	**18.1**	**5.6**	**-3.6**	**0.0**	**20.2**
Reconciliation					
Segment EBIT					20.2
Financial income and expenses					0.9
Taxes					-3.1
Discontinued operations					2.9
Result for the period					**20.9**

The Healthy Food Segment’s EBIT for the comparison period includes a total of EUR 0.2 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings (334/2007). The Healthy Ingredients Segment’s EBIT includes EUR 0.6 million in expenses related to the corporate acquisition and altogether EUR 0.1 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings. The Other Operations Segment’s EBIT includes EUR 0.1 million in expenses from the corporate reorganisation resulting from negotiations held in accordance with the Act on Co-operation within Undertakings.

BALANCE SHEET INFORMATION BY SEGMENT, 2022

31 December 2022 (EUR million)	Healthy Food	Healthy Ingredients	Other Operations	Eliminations	Group total
Segment assets	**96.8**	**133.0**	**18.4**	**-0.6**	**247.5**
Including:					
Increase in non-current assets	0.4	3.5	1.2		5.2
Reconciliation of assets to Group assets					
Segment assets total					247.5
Deferred tax assets					3.7
Loans receivable and other receivables related to financing					0.1
Prepaid income taxes					1.4
Derivatives					1.4
Financial assets at fair value through profit or loss					38.7
Liquid funds					31.9
Assets held for sale					7.1
Assets total					**331.9**
Segment liabilities	**12.9**	**14.5**	**2.4**	**-0.6**	**29.2**
Reconciliation of liabilities to Group liabilities					
Segment liabilities					29.2
Deferred tax liabilities					10.0
Derivatives					0.1
Financial liabilities at fair value through profit or loss					26.9
Tax liabilities					0.1
Dividend liability					0.3
Liability related to financing					1.5
Debts and provisions related to assets being held for sale					0.9
Liabilities total					**69.0**
Net assets					**262.9**

BALANCE SHEET INFORMATION BY SEGMENT, 2021

31 December 2021 (EUR million)	Healthy Food	Healthy Ingredients	Other Operations	Eliminations	Group total
Segment assets	104.9	138.6	18.8	-1.2	261.2
Including:					
Increase in non-current assets	1.0	20.7	1.4		23.0
Reconciliation of assets to Group assets					
Segment assets total					261.2
Deferred tax assets					3.9
Loans receivable and other receivables related to financing					0.0
Prepaid income taxes					0.2
Derivatives					0.0
Financial assets at fair value through profit or loss					67.9
Liquid funds					21.1
Assets total					**354.4**
Segment liabilities	**13.8**	**18.5**	**2.6**	**-1.2**	**33.8**
Reconciliation of liabilities to Group liabilities					
Segment liabilities					33.8
Deferred tax liabilities					9.8
Derivatives					0.2
Financial liabilities at fair value through profit or loss					29.1
Tax liabilities					0.4
Dividend liability					0.3
Liability related to financing					0.1
Liabilities total					**73.7**
Net assets					**280.7**

Non-current assets that do not include deferred tax assets or financial instruments

Non-current assets include long-term tangible assets and intangible rights, goodwill and other intangible assets. About 44 (43) per cent of the long-term assets are in the Healthy Food Segment's Western European operating segment in the UK.

(EUR million)	2022	%	2021	%
Finland	97.0	55.6	106.1	56.5
UK	77.3	44.3	81.4	43.4
Rest of Europe	0.2	0.1	0.2	0.1
Total	**174.6**	**100.0**	**187.7**	**100.0**

2.2 Revenue

Accounting policies
The consideration to which the Group expects to be entitled in exchange for the goods and services provided is recognised as net sales. Indirect taxes are deducted from sales revenue. The effective portion of currency derivatives is recognised as an adjustment to sales revenue in the case of cash flow hedging.

Revenue from the sale of goods is recorded when the customer has gained ownership and the risks and benefits of ownership have been transferred to the purchaser whereby control is deemed to have passed to the customer. Sales revenue is recognised at a single point in time, which is dependent of the delivery terms used in the delivery. The considerations from customers can include variable considerations, such as volume discounts. In such cases, the amount of the consideration is recognised at either the probable amount or expected value. Revenue from services is recognised over time, i.e. once the service has been completed.

For the Raisio Group, obtaining a customer contract has not resulted in additional costs that would meet the activation criteria. Additional costs are recognised as expenses when they are realised. The Group utilises the practical expedient included in IFRS 15 and does not disclose any performance obligations outstanding on the reporting date related to customer contracts with a maximum duration of one year.

Revenue from licences and royalties is recognised as income once the products have been sold to the final customer and the entitlement to the income has been established, as well as on the basis of contracts with customers.

2.2.1 Net sales

The Raisio Group's net sales mainly consist of sale of different type of products. Sales of services include, for example, sales related to the renting of real estate to customers outside the Group.

SALES REVENUE

(EUR million)	2022	%	2021	%
Sales of goods	218.6	99.0	198.3	99.1
Sales of services	1.6	0.7	1.1	0.6
Royalties	0.6	0.3	0.6	0.3
Total net sales	220.8	100.0	200.0	100.0

SALES REVENUE BY SEGMENT

(EUR million)	2022	%	2021	%
Healthy Food	143.0	64.7	134.3	67.2
Healthy Ingredients	115.7	52.4	96.6	48.3
Other	2.0	0.9	1.5	0.7
Sales between segments	-39.9	-18.1	-32.4	-16.2
Total net sales	220.8	100.0	200.0	100.0

The Group's customer base consists of a relatively large number of customers in different market areas. In 2022 and 2021, the Group had no major customers, as defined in IFRS 8, whose revenue to the Group would have exceeded 10% of the entire Group's net sales.

The Healthy Food Segment includes Raisio's consumer product businesses in the Western, Northern, and Eastern and Central European markets. The main markets for the Western European business of the Healthy Food Segment are the UK, Ireland and Belgium. The main market area for Northern Europe consists of Finland, Scandinavia and the Baltic countries. For Eastern and Central Europe, the main markets are Poland and Ukraine. The net sales of the Healthy Food Segment mainly consist of consumer sales of products under the Elovena, Benecol, Nordic, Sunnuntai, Nalle and Torino brands, and the plant protein products under the Beanit and Härkis brands.

The Healthy Ingredients Segment includes the sale of the Benecol product ingredient, grain trade and the sale of the plant proteins under the Beanit and Härkis brands and grain-based products to industrial and catering companies. The market for the Benecol product ingredient is global. The main market area for grain trade and grain-based products is Finland.

Income of the Other Operations Segment mainly consists of service and royalty income.

NET SALES BY COUNTRY

International net sales accounted for EUR 114.8 million (EUR 115.2 million), or 52.0 (57.6) per cent of total net sales.

(EUR million)	2022	%	2021	%
Finland	106.0	48.0	84.9	42.4
UK	53.5	24.2	53.0	26.5
Other	61.3	27.8	62.2	31.1
Total	220.8	100.0	200.0	100.0

Net sales in different currencies

The Raisio Group operates internationally and thus its business operations involve risks arising from exchange rate volatility. These risks consist of the income cash flows in different currencies (transaction risk) and the conversion of net sales of foreign subsidiaries into euros (translation risk).

NET SALES IN LOCAL FUNCTIONAL CURRENCIES

(EUR million)	2022	2021
EUR	157.4	136.2
GBP	53.6	53.9
PLN	5.3	4.9
UAH	3.7	4.5
USD	0.8	0.5
	220.8	200.0

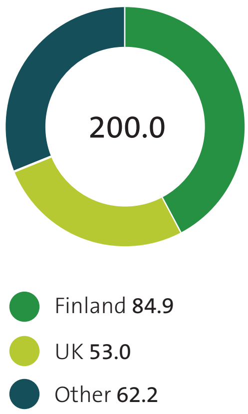
THE CONVERSION IMPACT OF NET SALES OF FOREIGN SUBSIDIARIES INTO EUROS (TRANSLATION RISK)

(EUR million)	2022	2021
Net sales	1.2	1.4

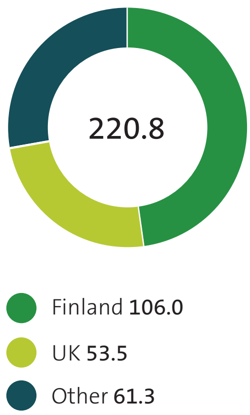
The conversion impact on the Group's net sales was EUR 1.2 (1.4) million. The British pound accounted for EUR 1.0 (1.8) million and other currencies for EUR 0.2 (-0.4) million. The conversion impact refers to the impact arising when the subsidiaries' net sales are converted into euros as part of the consolidated financial statements.

NET SALES BY COUNTRY (EUR MILLION)
2021–2022

2021

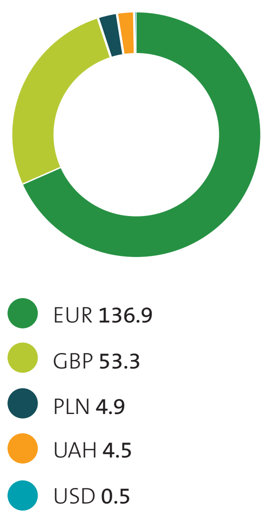


2022

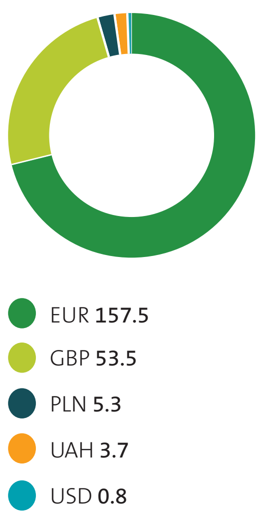


NET SALES IN DIFFERENT CURRENCIES (EUR MILLION)
2021–2022

2021



2022



3 Group structure

This section contains the notes on acquired and divested businesses, those held for sale and the Group structure.

3.1 Business acquisitions

Accounting policies
Acquired subsidiaries are consolidated from the date on which control is transferred to the Group and divested operations are included in the consolidated financial statements until the control is relinquished. The consideration transferred and the identifiable assets and liabilities of the acquired business are valued at fair value at the time of acquisition. Expenses related to the acquisition are expensed in the period in which they are incurred. The consolidation principles are presented under 1.3. Consolidation principles.

Businesses acquired in 2022
No businesses were acquired in 2022.

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

Key estimates and discretionary solutions
The identification of asset items and liabilities related to a business consolidation and the determination of their fair values require discretion on the part of management. In connection with the acquisition of Verso Food Oy, management separately identified an intangible asset of a total amount of EUR 1.8 million relating to the Beanit and Härkis brands, recognised as goodwill. Goodwill amounted to EUR 0.5 million after fair value adjustments. The determination of the brands' financially useful lives also required discretion on the part of management.

The total price of the arrangement related to the acquisition was EUR 7 million and one million of the free shares held by Raisio plc for a total of EUR 10.9 million. The share portion of the purchase was realised as a private placement.

SUMMARY OF THE TOTAL PURCHASE PRICE PAID

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

The acquisition cost calculation was based on Verso Food Oy'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 the acquisition	
Intangible assets, Beanit and Härkis brands	1.8
Other intangible assets	0.5
Tangible fixed assets	6.9
Deferred tax assets	1.2
Inventories	0.6
Accounts receivable and other receivables	1.3
Cash and bank receivables	0.1
Deferred tax liabilities	-0.3
Non-current financial liabilities	-0.3
Accounts payable and other liabilities	-1.2
Current liabilities, cash pool	-7.0
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 the Raisio Group's strengthened position within the plant protein market. The acquisition of Verso Food fit well with the Raisio Group's strategy, in which one key goal is growth derived from plant-based value-added products. With Verso Food's help, the Raisio Group became the market leader in the strongly emerging plant protein market in Finland.

No aspect of the entered goodwill and brand value is 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 the Raisio Group as of 1 April 2021. The impact of the acquired business on the financial statements of the Raisio Group:

(EUR million)	Impact 1 April–31 December 2021	Entire financial period 2021 pro forma
Net sales	5.7	7.8
EBIT	-1.9	-2.7

The net sales of the acquired business, included in the income statement for the financial year 2021, were EUR 5.7 million, and the EBIT was EUR -1.9 million. The pro forma figures for the entire financial year indicate the impact of the acquired business if Verso Food Oy had been merged with the Raisio Group from the beginning of 2021, in which case the impact would have been EUR 7.8 million on the Group's net sales and EUR -2.7 million on EBIT.The impact of the acquired business on the Group's cash flow in 2021 was EUR -1.6 million.

3.2 Divested businesses and businesses classified as held for sale in 2022

Accounting policies

Non-current assets and assets and liabilities related to discontinued operations are classified as held for sale if their carrying amount will be recovered principally through the sale of the asset rather than continuing use. In this case, the sale is considered to be highly probable, the asset is available for immediate sale in its current condition, management is committed to the sale and the sale is expected to take place within a year of the classification. Assets held for sale and assets related to discontinued operations classified as held for sale are valued at the lower of the carrying amount or the fair value less costs to sell. Depreciation on these assets ceases at the time of classification.

A discontinued operation is a part of the Group that has been disposed of or is classified as held for sale and meets one of the following requirements:

- it represents a separate major line of business or geographical area of operations
- it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations
- it is a subsidiary acquired exclusively with a view to resale.

The result from discontinued operations is presented as a separate item in the income statement and the statement of comprehensive income. The comparative information in the income statement is adjusted for those operations that have been classified as discontinued during the most recent financial period. Assets held for sale, together with the related liabilities, are presented as a separate item in the balance sheet.

If it is subsequently found that the criteria for an asset to be classified as held for sale are no longer met, the asset in question is transferred back to be presented and measured according to the applicable IFRS standards.

Businesses divested in 2022

The Raisio Group sold the Russian consumer business of the Healthy Food Segment on 12 May 2022.

Key estimates and discretionary solutions

On the divestment of a business, management is required to exercise discretion as to the classification and presentation to be used in the financial statements. Management has applied the requirements of standard IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations to the classification, presentation and recognition related to the sale of the Russian consumer business. The Russian consumer business represented the Healthy Food Segment's key geographic area in Central and Eastern Europe, and its cash flows were clearly separable.

The company's management suspended food exports to Russia in early March 2022, following Russia's invasion of Ukraine. The company's management decided to terminate the company's consumer business in Russia. 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 Belarusian markets were sold to the Estonian company Nordgate Trading Oü.

INCOME STATEMENT CONCERNING THE DISCONTINUED RUSSIAN CONSUMER BUSINESS

(EUR million)	2022	2021
Net sales	**2.4**	**9.1**
Cost of sales	-2.0	-6.8
Gross profit	**0.4**	**2.3**
Operating income and expenses	-0.4	-1.2
EBIT	**0.1**	**1.1**
Financial income	0.0	0.0
Result before taxes	**0.1**	**1.2**
Income taxes	0.0	-0.2
Result for the period after taxes	**0.1**	**0.9**
Result of the transfer of discontinued operations after taxes	-3.8	
Result for the period from discontinued operations	**-3.7**	
Taxes on discontinued operations		
Taxes on the result of discontinued operations	0.0	-0.2
Taxes on the transfer of discontinued operations	-0.3	
Taxes on discontinued operations, total	**-0.3**	**-0.2**

IMPACT OF THE DISCONTINUED RUSSIAN CONSUMER BUSINESS ON THE COMPANY'S FINANCIAL POSITION

(EUR million)	31 December 2022	31 December 2021
Non-current assets	0.1	0.0
Inventories	0.4	0.4
Current receivables	0.8	1.7
Liquid funds	2.8	1.2
Assets total	**4.0**	**3.3**
Current liabilities	0.4	0.3
Liabilities total	**0.4**	**0.3**
Divested net assets	**3.6**	
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 shares and the Nordic brand	4.3	
Net interest-bearing assets of divested subsidiary at the time of transfer	2.8	
Enterprise value of shares and the Nordic brand	1.5	
Enterprise value of shares and the Nordic brand	**1.5**	
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	**-1.3**	
Cash flow from divestment including expenses	-1.3	

EARNINGS PER SHARE FROM THE DISCONTINUED RUSSIAN CONSUMER BUSINESS

	2022	2021
Earnings per share, €	-0.02	0.01

CASH FLOW FROM THE DISCONTINUED RUSSIAN CONSUMER BUSINESS

(EUR million)	2022	2021
Cash flow from business operations	1.4	0.5
Cash flow from investments	-1.3	0.0
Cash flow in total	**0.1**	**0.5**

IMPACT OF THE DISCONTINUED RUSSIAN CONSUMER BUSINESS ON THE GROUP'S CASH FLOW STATEMENT

(EUR million)	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 impact in total	**0.1**

Businesses classified as held for sale in 2022

The Raisio Group classified the Healthy Ingredients Segment's fish feed business as held for sale.

Key estimates and discretionary solutions

In connection with the classification of business operations and the valuation of a non-current asset, management is required to exercise discretion as to the presentation to be used and the determination of the fair value of the non-current asset in the financial statements. Management has applied the requirements of standard IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations to the classification, presentation, recognition and valuation of the fish feed business of the Healthy Ingredients Segment. The fish feed business represents a key business area in the Healthy Ingredients Segment, and its cash flows were clearly separable.

In March 2022, the company's management terminated the company's export activities to Russia, which meant that the fish feed exports of the Group's Raisioaqua Ltd to the country also ended. On 31 May 2022, management began preparations to sell Raisioaqua Ltd. Management identified the book value of fixed assets related to the fish feed business as higher than fair value and recognised an impairment loss of EUR 4.1 million.

INCOME STATEMENT CONCERNING THE FISH FEED BUSINESS

(EUR million)	2022	2021
Net sales	**24.9**	**37.3**
Cost of sales	-27.9	-35.5
Gross profit	-3.1	1.8
Operating income and expenses, net	-2.0	0.7
EBIT	**-5.1**	**2.4**
Financial income and expenses		
Result for the period before taxes	**-5.1**	**2.4**
Income taxes	1.1	-0.5
Result for the period after taxes	**-4.0**	**2.0**

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

EARNINGS PER SHARE FROM THE FISH FEED BUSINESS

	2022	2021
Earnings per share, €	-0.03	0.01

ASSETS AND LIABILITIES RELATED TO THE FISH FEED BUSINESS

(EUR million)	31 December 2022
Intangible assets	0.1
Tangible fixed assets	2.2
Deferred tax assets	0.1
Inventories	4.9
Accounts receivable and other receivables	2.3
Total assets included in the group classified as held for sale	**9.6**
Non-current right-of-use assets	0.0
Current right-of-use assets	0.0
Accounts payable and other liabilities	0.8
Other interest-bearing liabilities (Cash pool)	2.5
Total debts included in the group classified as held for sale	**3.4**
Total net assets included in the group classified as held for sale	**6.2**

CASH FLOWS FROM THE FISH FEED BUSINESS

(EUR million)	2022	2021
Cash flow from business operations	-10	5.6
Cash flow from investments	-0.3	-1.1
Cash flow from financing activities		
Cash flow in total	**-1.3**	**4.5**

3.3 Subsidiaries and the non-controlling interest

Accounting policies
Acquired subsidiaries are consolidated from the date on which control is transferred to the Group and divested operations are included in the consolidated financial statements until the control is relinquished. The consideration transferred and the identifiable assets and liabilities of the acquired business are valued at fair value at the time of acquisition. Expenses related to the acquisition are expensed in the period in which they are incurred. The consolidation principles are presented under 1.3. Consolidation principles.

The Group structure on the balance sheet date

NUMBER OF WHOLLY OWNED SUBSIDIARIES

	2022	2021
Healthy Food	8	9
Healthy Ingredients	2	1
Other Operations	11	11

The subsidiaries are wholly owned. During the financial year 1 January–31 December 2022, the Raisio Group sold the Healthy Food Segment's Russian subsidiary OOO Raisio Nutrition on 12 May 2022. During the comparison period 1 January–31 December 2021, the Raisio Group acquired the entire share capital and control of Verso Food Oy for the Healthy Ingredients Segment on 1 April 2021.

RAISIO GROUP SUBSIDIARY COMPANIES

	Group holding, %	Parent company holding, %
Healthy Food		
Benecol Limited, UK	100.00	
Raisio Eesti AS, Estonia	100.00	
Raisio Sp. z o.o., Poland	100.00	
Raisio Staest US Inc., USA	100.00	
Raisio Sverige AB, Sweden	100.00	
LLC Raisio Ukraine, Ukraine	100.00	
Raisio Nutrition Ltd, Raisio	100.00	100.00
Raisio Ireland Limited, Ireland	100.00	
Healthy Ingredients		
Raisioaqua Ltd, Raisio	100.00	100.00
Verso Food Oy, Kauhava	100.00	100.00
Others		
Raisionkaari Industrial Park Ltd, Raisio	100.00	50.00
Benemilk Ltd, Turku	100.00	
Big Bear Group Limited, UK	100.00	
CentrIQ Corporation, USA	100.00	
FDS Informal Foods Limited t/a Snacks Unlimited, UK	100.00	
Glisten Limited, UK	100.00	
The Glisten Confectionery Company Limited, UK	100.00	
Honey Monster Foods Limited, UK	100.00	
Nordic Feed Innovations Oy, Turku	100.00	100.00
Raisio UK Limited, UK	100.00	100.00
Reso Mejeri Produktion AB, Sweden	100.00	

4 Invested capital

This section contains the notes on intangible assets (including goodwill), tangible assets, inventories and the depreciation and impairment of fixed assets.

4.1 Goodwill

Key estimates and discretionary solutions
For the purpose of impairment testing, goodwill shall be allocated to the Group's cash-generating units that are deemed to benefit from synergies generated by acquisition.

Accounting policies
Business combinations are treated according to the acquisition method. In business combinations, goodwill is recognised at the amount by which the acquisition cost exceeds the Group's share of the fair value of the assets and liabilities acquired at the time of acquisition. Goodwill is mainly generated in the most significant acquisitions. In these cases, goodwill typically reflects the value of the acquired market share, business know-how and synergies. The carrying amount of goodwill is tested through impairment tests.

The Group assesses the balance sheet value of goodwill annually or more frequently if there are indications of possible impairment. Goodwill is allocated to the Group's cash-generating units, which have been determined according to the country and business unit in which goodwill is monitored in internal management reporting. The recoverable amount of a cash-generating unit is calculated by means of value-in-use calculations. The cash-flow-based value in use is determined by calculating the discounted current value of forecasted cash flows. The forecasted cash flows are based on management's estimates. The discount rate of the calculations is based on the average cost of capital (WACC) that is applied in the currency area in which the cash-generating unit can be considered to be located.

Any impairment loss on goodwill is immediately recognised in the income statement. Any previously recognised goodwill impairment loss is not reversed.

GOODWILL RECONCILIATION

(EUR million)	2022	2021
Acquisition price 1 January	52.8	49.1
Translation difference	-2.6	3.2
Acquired businesses		0.5
Acquisition cost 31 December	**50.2**	**52.8**
Accumulated depreciation and write-downs 1 January	3.2	3.2
Accumulated depreciation 31 December	3.2	3.2
Book value 31 December	**47.0**	**49.6**

4.2 Intangible assets

Key estimates and discretionary solutions
In connection with the acquisition of the Verso Food Oy business during the comparison period of 1 January–31 December 2021, a total of EUR 1.8 million was recognised as a separate intangible asset related to the Beanit and Härkis brands, and a finite useful life of 10 years was assigned to it. The identified intangible asset is entered in the income statement as an expense based on the straight-line depreciation method over its estimated useful life.

Accounting policies
An intangible assets is recognised in the balance sheet at original cost if it can be reliably measured and it is probable that the economic benefits attributable to the asset will flow to the Group.

Intangible assets with finite useful lives are entered in the income statement as an expense based on the straight-line depreciation method over their known or estimated useful lives. Depreciation is not recorded for intangible assets with indefinite useful lives. Instead, these assets are tested annually for possible impairment. The Group has trademarks whose useful lives are estimated to be indefinite.

Depreciation periods for intangible assets with finite useful lives are as follows:

Intangible rights	5–10 years
Other intangible assets	5–20 years

The depreciation of an intangible asset begins when the asset is available for use, i.e. when it is in such a location and condition that it is capable of operating in the manner intended by management. Depreciation is ceased when the intangible right or asset is classified as held for sale (or included in a disposal group classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Sales profits and losses are determined as the difference between the selling price and the carrying value and included in the income statement under other operating income and expenses.

Estimated useful lives and balance sheet values of assets are reviewed at each balance sheet date and whenever there is an indication of the impairment of an asset. The impairment tests assess the recoverable amount of the asset in question. The recoverable amount is the asset's fair value less costs to sell or its value in use, whichever is higher. An impairment loss is recognised in the income statement if the carrying amount of the asset exceeds the recoverable amount.

An impairment previously recognised in the income statement is reversed if the values used to determine the recoverable income change substantially. However, the value after the reversal of the impairment may not exceed the value that the asset would have had without the impairment of previous years, less accumulated depreciation.

INTANGIBLE ASSETS 2022

(EUR million)	Intangible rights	Other intangible assets	Advances paid and incomplete acquisitions	Intangible assets total
Acquisition cost 1 January	59.6	20.3	0.1	80.1
Translation differences	-2.7	0.0		-2.7
Increases	0.1	0.3	0.3	0.7
Divestment and other decreases	-0.2			-0.2
Reclassification between items		0.1	-0.1	0.0
Assets classified as being held for sale		-0.3	-0.1	-0.3
Acquisition cost 31 December	**56.8**	**20.4**	**0.3**	**77.6**
Accumulated depreciation and write-downs 1 January	-26.6	-17.4	0.0	-44.0
Translation differences	1.1	0.0		1.1
Accumulated depreciation of decreases and transfers	0.2			0.2
Depreciation for the financial period	-0.5	-1.0		-1.4
Assets classified as being held for sale		0.0		0.0
Accumulated depreciation 31 December	**-25.8**	**-18.3**	**0.0**	**-44.1**
Book value 1 January 2022	33.0	2.9	0.1	36.0
Book value 31 December 2022	**31.0**	**2.1**	**0.3**	**33.5**

The intangible rights include trademarks related to the Healthy Food Segment's operations whose useful lives are considered to be indefinite. Their carrying value was EUR 28.6 million on 31 December 2022.

CARRYING VALUE OF TRADEMARKS WITH INDEFINITE USEFUL LIVES

(EUR million)	31 December 2022	31 December 2021
Honey Monster	1.0	1.1
Benecol UK	27.5	29.0
Total	**28.6**	**30.1**

INTANGIBLE ASSETS 2021

(EUR million)	Intangible rights	Other intangible assets	Advances paid and incomplete acquisitions	Intangible assets total
Acquisition cost 1 January	54.2	19.0	0.1	73.4
Translation differences	3.4	0.0		3.4
Increases	0.2	0.7	0.1	1.0
Increases, acquired business	1.8	1.1		2.9
Divestment and other decreases	0.0	-0.6		-0.7
Reclassification between items	0.0	0.1	-0.1	0.0
Acquisition cost 31 December	**59.6**	**20.3**	**0.1**	**80.1**
Accumulated depreciation and write-downs 1 January	-24.8	-16.5		-41.4
Translation differences	-1.4	0.0		-1.4
		-0.5		-0.5
Accumulated depreciation of decreases and transfers	0.0	0.6		0.6
Depreciation for the financial period	-0.4	-0.9		-1.4
Accumulated depreciation 31 December	**-26.6**	**-17.4**	**0.0**	**-44.0**
Book value 1 January 2021	29.4	2.5	0.1	32.0
Book value 31 December 2021	**33.0**	**2.9**	**0.1**	**36.0**

The intangible rights include trademarks related to the Healthy Food Segment's operations whose useful lives are considered to be indefinite. Their carrying value was EUR 30.1 million on 31 December 2021.

4.3 Research and development costs

Accounting policies

Research costs are recognised through profit or loss in the year they are incurred. Development costs for new or significantly improved products are recognised as intangible assets when the costs of the development phase can be reliably determined, the product can be technically implemented and commercially utilised, the product is expected to generate financial benefits and the Group has both the intention and the resources to complete the development work and use or sell the product. Development costs previously entered as expenses are not recognised in the balance sheet in later financial years.

An item is depreciated from the time it is ready for use. An item not yet ready for use is tested for impairment annually. After initial recognition, development expenses recognised in the balance sheet are measured at cost less accumulated depreciation and impairment losses. The depreciation period of development expenses recognised in the balance sheet is 5–10 years.

Research and development costs

In the 2022 and 2021 financial statements, no research and product development costs were capitalised as intangible assets.

On the closing date of the financial statements of the comparison period, 31 December 2021, development costs totalling EUR 0.2 million were recognised for the acquisition cost of the new production plant built in Raisio's industrial area.

The development costs were incurred as an item of property, plant and equipment.

4.4 Impairment testing of goodwill and assets with indefinite useful lives

Goodwill is allocated to the cash-generating unit. In line with the Raisio Group's management system and structure, a cash-generating unit is typically a country-specific unit where the acquired business operates. Goodwill has been allocated to the Healthy Food Segment's Western European Benecol business, as well as the Healthy Ingredients Segment in connection with the acquisition of Verso Food Oy during the comparison period 1 January–31 December 2021, on 1 April 2021. The value of goodwill on the closing date of 31 December 2022 was EUR 47.0 million (EUR 49.6 million in 2021).

The trademarks recognised in connection with the business combinations of the acquisitions included in the Healthy Food Segment have been estimated to have indefinite useful lives. The reputation and long history of the trademarks support management's view that the trademarks will generate cash flows for an indefinite time. On the closing date of 31 December 2022, the value of the trademarks belonging to the Healthy Food Segment totalled EUR 28.6 million (EUR 30.1 million in 2021).

Key estimates and discretionary solutions
The drafting of calculations used for impairment testing requires management to make forecasts and determine the components of recoverable cash flows. These are subject to uncertainties.

Impairment testing of assets with indefinite useful lives
During the financial year 1 January–31 December 2021 and the comparison period 1 January–31 December 2022, the impairment testing of goodwill and trademarks with indefinite useful lives indicated that the recoverable amounts of the assets in question were higher than their carrying amounts and there was no need for the impairment of assets with indefinite useful lives.

In the impairment testing, the recoverable amounts are determined based on the value in use. Cash flow forecasts are based on estimates approved by management covering the next four years. Cash flows after the forecast period approved by management are extrapolated by using the estimated growth factors presented below, which do not exceed the average long-term growth rates of the unit's business.

BASIC ASSUMPTIONS USED IN THE DETERMINATION OF THE VALUE IN USE OF GOODWILL

Goodwill	2022		2021	
Healthy Food Segment				
UK operations, Benecol				
Growth percentage *)	2.0	%	2.0	%
Discount rate, before taxes	8.2	%	5.5	%
Healthy Ingredients Segment				
Finnish operations, Verso plant protein				
Growth percentage *)	3.0	%	3.0	%
Discount rate, before taxes	9.6	%	9.2	%

*) In the cash flows after the forecast period

Management has determined the EBIT used in the forecasts based on the previously realised results and its expectations of market developments. The discount rate has been determined before taxes and reflects the risks associated with the business segment in question. The parameters of the risk-free rate, beta coefficient and risk coefficient used to determine the discount rate are based on market data. The discount rate has risen significantly from the comparison period due to a rise in risk-free rates and equity beta. Management has taken into account country, sectoral, currency and price risks when determining the discount rate.

Sensitivity analysis of impairment testing

Goodwill / Healthy Food Segment
UK operations, Western Europe

The entity's recoverable amount is clearly above the carrying value of assets. The recoverable amount will fall below the carrying value of assets if the discount rate rises to 14.7 per cent (14.0 in 2021) (before taxes) or the EBIT level falls permanently by around 53 per cent (75.4 in 2021) of management estimates.

Goodwill / Healthy Ingredients Segment
Verso Food, business acquired in the comparison period on 1 April 2021, Finland

The entity's recoverable amount exceeds the carrying value of assets by 28.6 per cent. The recoverable amount will fall below the carrying value of assets if the discount rate rises to 11.8 per cent (11.3 in 2021) (before taxes).

4.5 Tangible fixed assets

Accounting policies
Tangible fixed assets are valued at the original acquisition cost less accumulated depreciation and impairment.

The acquisition cost includes the costs resulting directly from the acquisition of the tangible fixed asset. Borrowing costs arising from the acquisition, construction or manufacture of a qualifying asset, such as a production plant, are immediately included in the acquisition cost when it is likely that they will generate future financial benefit and the costs can be determined reliably. Other borrowing costs are recorded as an expense in the period in which they are incurred. Since the Group did not acquire any qualifying assets, no borrowing costs were recognised in the balance sheet.

When part of an item of fixed assets is treated as a separate item, costs related to the replacement of the part are recognised in the balance sheet. Otherwise, any costs generated later are included in the carrying amount of the tangible fixed asset only if it is likely that any future financial benefit related to the item will benefit the Group and the purchase cost of the item can be determined reliably. Other repair and maintenance costs are recorded through profit or loss when they are realised.

Tangible assets are depreciated on a straight-line basis over their estimated useful lives. Land is not depreciated. The estimated useful lives are as follows:

buildings and structures	10–25 years
machinery and equipment	4–15 years.

Depreciation begins when the asset is available for use, i.e. when it is in such a location and condition that it is capable of operating in the manner intended by management.

The depreciation of a tangible fixed asset is discontinued when the item is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Fixed assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Sales profits and losses are determined as the difference between the selling price and the carrying value and included in the income statement under other operating income and expenses.

Estimated useful lives are reviewed on each balance sheet date, and the depreciation periods are adjusted accordingly if they differ significantly from the previous estimates. If the carrying amount of an asset exceeds the amount of cash that is estimated to be recoverable, the carrying amount is immediately reduced to the recoverable amount. An impairment loss is recognised in the income statement if the value of the asset exceeds the recoverable amount.

An impairment previously recognised in the income statement is reversed if the values used to determine the recoverable income change substantially. However, the value after the reversal of the impairment may not exceed the value that the asset would have had without the impairment of previous years, less accumulated depreciation.

Government grants

Government grants related to the purchase of tangible and intangible fixed assets are recognised as a deduction of the carrying amounts of fixed assets when the Group has reasonable assurance of receiving the grants and the Group complies with the conditions for receiving the grant. Grants are recognised as lower depreciations within the asset's useful life.

Leases

The Raisio Group acts primarily only as lessee. The Group has leases for warehouses, office premises and vehicles.

The Group also has leases in which the Group is named as the lessor. The significance of these leases to the Raisio Group's consolidated financial statements is minimal. The leases are classified as operating leases, since the risks and rewards incidental to ownership of an underlying asset are not seen as transferring to the lessee. Rental income is recognised on a straight-line basis for the duration of the lease. The Group leases business premises to external parties.

When a contract is signed, the Group assesses whether the contract in question is, or contains, a lease. A contract contains a lease if it includes an identified asset and conveys the right to control the use of that asset for a period of time in exchange for consideration.

The lease term is defined as the time period during which the lease cannot be cancelled. A period covered by an extension or termination option will be included in the lease term if the Group is reasonably certain to exercise the extension option or not to exercise the termination option. Leases with a lease term of 12 months or less and those for which the underlying asset is of low value are treated in accordance with the recognition exemption stipulated in the standard. For these leases, the lease payments payable to the contracting party are recognised as expenses on a straight-line basis in the income statement and are not included in the balance sheet.

The Group recognises the lease liability and corresponding right-of-use asset at the commencement date of the lease.

The lease liability is measured at the present value of the lease payments payable during the lease term that have not yet been paid. The lease payments are discounted using the Group's incremental borrowing rate unless the interest rate implicit in the lease is known. The interest rate is adjusted, if necessary, with consideration to the length of the lease term, the nature of the underlying asset and the country-specific risk.

Right-of-use assets are valued at the acquisition cost at the commencement date of the lease, including the amount of the initial valuation of the lease liability, any initial direct costs, any restoration costs estimated for the asset and lease payments made at or before the commencement date, less any lease incentives received.

The lease payments made by the Raisio Group comprise fixed payments, variable lease payments and amounts payable on the basis of the residual value guarantee. Possible residual value guarantees, purchase options and penalties for terminating the lease are only taken into consideration in the amount of the lease liability if it is reasonably certain that the option will be used or if it has been taken into consideration in the lease term that the Group will exercise the option to terminate the lease.

Variable lease payments that depend on an index or a rate are included in the determination of the lease liability. The index or rate that is valid at the commencement date of the lease is applied to the calculation of the amount of the variable lease payments. Other variable lease payments, such as future lease payments due on the basis of the return of the asset, are not included in the measurement of the lease liability.

A right-of-use asset is measured at acquisition cost less depreciation and impairment losses and adjusted by a possible item resulting from the remeasurement of the lease liability. Right-of-use assets are depreciated within the asset's useful life or during the lease term, whichever is shorter. If the use of a purchase option included in the lease is reasonably certain, the right-of-use asset is depreciated during the asset's useful life. The residual value and useful life of a right-of-use asset are reviewed at least in connection with the financial statements, and any impairment is recognised if there are changes in terms of the expectations of economic benefits.

The Group measures the lease liability for future periods at amortised cost using the effective interest method.

The lease liability is remeasured if the actual lease payments differ materially from those included in the lease liability determined in connection with the initial recognition, and if the change in the lease payments is based on clauses that were valid at the commencement date of the lease. Reassessment is carried out, for example, when a change occurs in future lease payments as a result of a change in the index or rate used to determine the payments in question, or if there is a change in the expected amounts payable under a residual value guarantee. Changes in the estimates related to the purchase, extension or termination option for the asset may also lead to a reassessment of the lease liability. The carrying amount of the right-of-use asset is adjusted by the amount resulting from the remeasurement of the lease liability or, if the value of the right-of-use asset is zero, it is recognised through profit or loss.

Key estimates and discretionary solutions
Determining the useful lives of tangible and intangible assets requires management to make estimates about the future. The estimated useful lives of fixed assets are reviewed at each closing date.

Lease accounting in accordance with IFRS 16 requires management to make estimates and assumptions when assessing, among other things, factors related to the determination of the lease term for leases with indefinite terms and those with extension and termination options. The lease term of the right-of-use assets under indefinite leases has been determined at management's discretion to be four years, in line with the strategy period of the Group's strategy published on 10 June 2021.

4.5.1 Tangible fixed assets

OWNED TANGIBLE FIXED ASSETS 2022

(EUR million)	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advances paid and incomplete acquisitions	Tangible assets total
Acquisition cost 1 January	3.4	126.5	192.0	0.4	0.9	323.2
Translation differences		0.2	0.1	0.0		0.3
Increases		0.6	2.6		0.7	3.9
Divestment and other decreases	0.0	-1.0	-0.7	0.0		-1.6
Reclassification between items		0.0	0.1		-0.2	0.0
Assets classified as being held for sale		-3.8	-13.6			-17.5
Acquisition cost 31 December	**3.4**	**122.5**	**180.5**	**0.3**	**1.4**	**308.2**
Accumulated depreciation and write-downs 1 January		-96.1	-153.6	-0.1		-249.8
Translation differences		-0.2	-0.1	0.0		-0.3
Accumulated depreciation of decreases and transfers		1.0	0.6	0.0		1.6
Depreciation for the financial period		-1.8	-3.8	0.0		-5.6
Assets classified as being held for sale		2.9	8.1			11.0
Accumulated depreciation 31 December	**0.0**	**-94.2**	**-148.7**	**-0.1**	**0.0**	**-242.9**
Book value 1 January 2022	3.4	30.4	38.4	0.3	0.9	73.4
Book value 31 December 2022	**3.4**	**28.3**	**31.9**	**0.3**	**1.4**	**65.2**

The investment acquisition expenditure does not include borrowing costs.

LEASED RIGHT-OF-USE ASSETS 2022

(EUR million)	Buildings leased for own use	Machinery leased for own use	Right-of-use assets total
Acquisition cost 1 January	8.5	22.8	31.4
Translation differences	0.0	0.0	0.0
Increases	0.4	0.5	0.9
Divestment and other decreases		0.0	0.0
Assets classified as being held for sale		-0.1	-0.1
Acquisition cost 31 December	**8.9**	**23.2**	**32.1**
Accumulated depreciation and write-downs 1 January	-1.3	-1.3	-2.6
Translation differences	0.0	0.0	0.0
Accumulated depreciation of decreases and transfers		0.0	0.0
Depreciation for the financial period	-0.8	-2.2	-3.0
Assets classified as being held for sale		0.0	0.0
Accumulated depreciation 31 December	**-2.1**	**-3.5**	**-5.5**
Book value 1 January 2022	7.2	21.5	28.7
Book value 31 December 2022	**6.8**	**19.7**	**26.6**

The most significant item of right-of-use assets relates to the process equipment for the new production plant built in the Raisio industrial area in spring 2021. The acquisition price of the leased assets was EUR 21.5 million.

ITEMS FROM LEASES RECOGNISED IN THE INCOME STATEMENT

(EUR million)	2022	2021
Rental income	0.7	0.7
Depreciation on right-of-use assets	-3.0	-1.6
Costs of short-term and low-value leases	0.0	0.0
Interest expenses related to leases	-0.4	-0.2
Total	**-2.7**	**-1.1**
Outgoing cash flow resulting from leases	**2.9**	**1.5**

OWNED FIXED ASSETS 2021

(EUR million)	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advances paid and incomplete acquisitions	Tangible assets total
Acquisition cost 1 January	3.4	105.4	172.9	0.4	24.3	306.2
Translation differences		0.1	0.0	0.0		0.1
Increases		1.4	7.0		0.8	9.2
Increases, acquired business			7.6			7.6
Divestment and other decreases			0.0			0.0
Reclassification between items		19.7	4.5		-24.1	0.0
Acquisition cost 31 December	**3.4**	**126.5**	**192.0**	**0.4**	**0.9**	**323.2**
Accumulated depreciation and write-downs 1 January		-94.6	-148.6	-0.1		-243.3
Translation differences		-0.1	0.0	0.0		-0.1
Business combination						
Accumulated depreciation of decreases and transfers			-0.9			-0.9
Depreciation for the financial period		-1.5	-4.0	0.0		-5.5
Impairments and their reversals	0.0	-96.1	-153.6	-0.1	0.0	-249.8
Accumulated depreciation 31 December	**0.0**	**-94.6**	**-148.6**	**-0.1**	**0.0**	**-243.3**
Book value 1 January 2021	3.4	10.8	24.3	0.3	24.3	63.0
Book value 31 December 2021	**3.4**	**30.4**	**38.4**	**0.3**	**0.9**	**73.4**

The most significant investment of the comparison period 1 January–31 December 2021 was the building of the new, modern production facility in Raisio's industrial area, which was initiated in 2019 and completed in spring 2021. The investment was technically completed during the first quarter of 2021, and the project advanced during the third quarter from process testing to productive use. The first consumer products to come out of the production facility were in shops in Finland at the end of the third quarter of 2021.

Development expenses included an acquisition expense of EUR 0.2 million for the new production facility. The investment acquisition expenditure does not include borrowing costs.

LEASED RIGHT-OF-USE ASSETS 2021

(EUR million)	Buildings leased for own use	Machinery leased for own use	Right-of-use assets total
Acquisition cost 1 January	1.0	10.6	11.7
Translation differences	0.0	0.0	0.0
Increases	1.4	12.6	14.0
Increases, acquired business	6.3		6.3
Divestment and other decreases	-0.3	-0.3	-0.6
Acquisition cost 31 December	**8.5**	**22.8**	**31.4**
Accumulated depreciation and write-downs 1 January	-0.7	-0.8	-1.5
Translation differences	0.0	0.0	0.0
Accumulated depreciation of decreases and transfers	0.1	0.3	0.5
Depreciation for the financial period	-0.7	-0.9	-1.6
Accumulated depreciation 31 December	**-1.3**	**-1.3**	**-2.6**
Book value 1 January 2021	0.3	9.9	10.2
Book value 31 December 2021	**7.2**	**21.5**	**28.7**

The increases to the right-of-use assets for the comparison period 1 January–31 December 2021 included EUR 12.1 million in right-of-use asset acquisitions for process equipment related to the new production plant built in Raisio's industrial area.

4.5.2 Depreciation and impairment

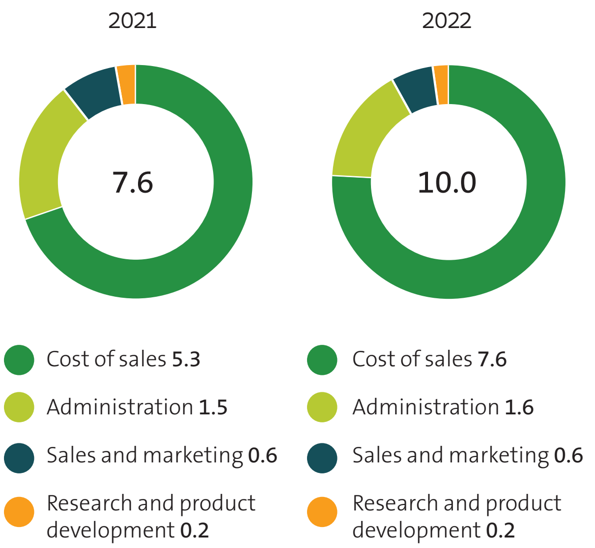
DEPRECIATION AND IMPAIRMENT

(EUR million)	2022	2021
Depreciation by asset group		
Depreciation on intangible assets		
Intangible rights	0.5	0.4
Other intangible assets	1.0	0.9
Depreciation on intangible assets, continuing operations	**1.4**	**1.3**
Depreciation on intangible assets, discontinued operations	0.0	0.0
	1.4	**1.4**
Depreciation on tangible fixed assets		
Buildings	2.6	2.0
Machinery and equipment	5.9	4.2
Depreciation on tangible fixed assets, continuing operations	**8.5**	**6.2**
Depreciation on tangible fixed assets, discontinued operations	0.3	**0.9**
	8.9	**7.1**
Impairment by asset group		
Machinery and equipment		0.0
Other intangible assets		0.0
Impairment, continuing operations	**0.0**	**0.0**
Impairment, discontinued operations	4.1	
	4.1	0.0
Total depreciation and impairment, continuing operations	10.0	**7.6**
Total depreciation and impairment, discontinued operations	4.5	**0.9**
	14.4	**8.4**
Depreciation by operation		
Cost of sales	7.6	5.3
Sales and marketing	0.6	0.6
Administration	1.6	1.5
Research and product development	0.2	0.2
Depreciation by operation, continuing operations	**10.4**	**7.6**
Depreciation by operation, discontinued operations	0.3	**0.9**
	14.4	**8.4**
Impairment		
Sales and marketing		0.0
Administration		0.0
Research and product development		0.0
Impairment, continuing operations	**0.0**	**0.0**
Impairment, discontinued operations	**4.1**	**0.0**
Impairment in total	**4.1**	**0.0**

The total depreciation and impairment of EUR 8.9 million (EUR 7.6 million in 2021) for continuing operations includes depreciation and impairment of right-of-use assets as follows:

(EUR million)	2022	2021
Depreciation for right-of-use assets by asset group		
Buildings	0.8	0.7
Machinery and equipment	2.2	0.9
Total	3.0	1.5
Depreciation on tangible fixed assets, discontinued operations		
Depreciation for right-of-use assets in total	3.0	1.6
Depreciation and impairment for right-of-use assets by operation		
Cost of sales	2.4	1.0
Sales and marketing	0.3	0.3
Administration	0.3	0.2
Research and product development	0.0	0.0
Total depreciation for right-of-use assets by operation	3.0	1.6

DEPRECIATION (EUR MILLION)
CONTINUING OPERATIONS
2021 AND 2022



4.6 Impairment of intangible and tangible assets other than goodwill and assets with indefinite useful lives

Accounting policies

The balance sheet values of long-term intangible and tangible assets are assessed for possible impairment at the balance sheet date and whenever there is an indication that an asset may be impaired. The impairment tests assess the recoverable amount of the asset in question. The recoverable amount is the asset's fair value less costs to sell or its value in use, whichever is higher. An impairment loss is recognised in the income statement if the carrying amount of the asset exceeds the recoverable amount.

An impairment previously recognised in the income statement is reversed if the values used to determine the recoverable income change substantially. However, the value after the reversal of the impairment may not exceed the value that the asset would have had without the impairment of previous years, less accumulated depreciation.

Impairment by operation

The financial statements for 2022 and 2021 do not include significant impairment losses on long-term intangible and tangible assets.

4.7 Equity investments

Accounting policies

Equity investments are classified at fair value through other comprehensive income as financial assets not held for trading. Of these investments, only dividends are recognised through profit or loss. Possible subsequent sales are not recognised through profit or loss and the fair value changes recognised in the fair value reserve are not reclassified through profit or loss.

Equity investments that are publicly quoted are valued at the closing date bid prices quoted by NASDAQ OMX Helsinki Ltd. Part of the unquoted share investments have been recognised at fair value by applying recent arm's length transactions, for example. Where valuation at fair value by using valuation methods has not been possible and fair value has not been reliably available, equity investments have been valued at their acquisition cost.

EQUITY INVESTMENTS

(EUR million)	2022	2021
At the beginning of the financial period	2.8	2.8
Decreases	-0.1	-0.4
Profits and losses in the comprehensive income	0.3	0.4
At the end of the financial period	**3.0**	**2.8**

4.8 Inventories

Accounting policies

Inventories include materials and supplies, and unfinished and finished products. Inventories are valued at the lower of acquisition cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of the completion of the product and the costs of the sale.

The cost of inventories is determined using the FIFO method, with the weighted average price used to value materials, supplies and purchased products. Standard prices are used for the valuation of products manufactured in-house.

The acquisition cost of purchased products comprises all purchase costs, including direct transportation, handling and other costs. The acquisition cost of finished and unfinished products manufactured in-house consists of raw materials, direct work-related costs, other direct costs and an appropriate share of variable and fixed production overheads based on the normal capacity of the production facilities. The acquisition cost does not include borrowing costs.

Key estimates and discretionary solutions

The valuation of inventories requires management's assessment in determining obsolescence write-offs or resale prices. There were no significant impairments for inventories during the financial period 1 January–31 December 2022 or the comparison period 1 January–31 December 2021.

Fixed production overheads are allocated to production costs in accordance with the normal production capacity of the facility. Normal production capacity refers to the average amount of production that is expected to be achieved over several periods under normal conditions. In the spring of the comparison period 1 January–31 December 2021, the new production facility for plant-based products was completed at the Raisio Group's industrial area in Finland, and its first products hit the shelves of Finnish shops in September 2021. According to management estimates, the new facility will reach normal production capacity in 2024. Fixed production overheads are allocated to production costs in accordance with the estimated production capacity of the facility in 2024.

INVENTORIES

(EUR million)	2022	2021
Materials and supplies	28.0	23.1
Unfinished products	4.1	4.7
Finished products/goods	10.3	9.5
Other inventories	0.4	0.3
Advance payments	0.0	0.2
Inventories total	**42.8**	**37.9**

5 Financial items and risk management

This section includes the notes describing financial income and expenses, financial assets and liabilities, valuation of financial items, as well as financial risk management.

5.1 Financial income and expenses

(EUR million)	2022	2021
Financial income		
Dividend income from equity investments	0.3	0.2
Interest income from derivatives	0.3	0.1
Other interest income	0.2	0.1
Change in value of financial assets at fair value through profit or loss		0.3
Gain on sale of financial assets at fair value through profit or loss	0.1	1.4
Exchange rate differences, net		0.5
Other financial income	0.1	0.2
Total	1.0	2.8
Financial expenses		
Interest expenses from derivatives	-0.5	-0.3
Interest expenses from lease liabilities	-0.4	-0.2
Other interest expenses	0.0	0.0
Change in value of financial assets at fair value through profit or loss	-2.3	-1.2
Loss on sale of financial assets at fair value through profit or loss	-0.2	0.0
Exchange rate differences, net	-0.4	
Other financial expenses	0.0	-0.2
Total	-3.8	-1.9

5.2 Financial assets and liabilities

Accounting policies

Raisio classifies **financial assets** into three measurement categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. The classification of financial assets is made in connection with initial recognition, based on the cash flow characteristics of the assets.

Financial assets **recognised at amortised cost** include the financial assets that are to be held until the end of the contract and whose cash flows consist solely of capital and interest. Raisio has classified sales receivables and other held-to-maturity receivables that are non-derivative assets as financial assets at amortised cost.

Equity investments are classified as financial assets at **fair value through other comprehensive income**. The group mainly includes unquoted share investments and similar rights of ownership. They are included in non-current assets. Of these investments, only dividends are recognised through profit or loss. Possible subsequent sales are not recognised through profit or loss and the fair value changes recognised in the fair value reserve are not reclassified through profit or loss.

Liquid investment funds that are used for cash management purposes are classified as financial assets at **fair value through profit or loss**.

The Group's **financial liabilities** are classified at amortised cost and as financial liabilities at fair value through profit or loss.

Financial liabilities **recognised at amortised cost** consist of interest-bearing loans, lease liabilities and non-interest-bearing liabilities, such as accounts payable. Financial liabilities recorded at amortised cost are recorded at fair value on the basis of the compensation initially received. The financial liabilities in this category are measured at amortised cost using the effective interest method. Transaction costs have been included in the initial carrying amount of financial liabilities. Financial debts are included in current and non-current debts and may be either interest-bearing or non-interest-bearing. The category includes subordinated loans, lease liabilities, accounts payable, advance payments, other liabilities and financial instruments included in accrued expenses.

Other financial liabilities are classified to be recorded at **fair value through profit or loss**.

Derivative contracts are classified as financial assets or liabilities at fair value through profit or loss. They are originally recorded at acquisition cost representing their fair value. Following the acquisition, derivative contracts are measured at fair value. Profits and losses generated from the measurement at fair value are treated according to the purpose of use of the derivative contract.

If hedge accounting is applied to derivatives, the change in their fair value is recognised at fair value through other comprehensive income items. Profit effects of changes in value are presented consistently with the hedged item. Hedge accounting is discontinued if its conditions cease to meet the qualifying criteria, the hedged item is derecognised from the balance sheet, the hedging instrument expires or is sold or exercised, or the forecasted transaction is no longer expected to occur.

When starting hedge accounting, the Group documents the financial and hedging relationship between the hedged item and the hedging instrument and takes into account the impact of the credit risk. The Group documents and assesses the effectiveness of hedging relationships at inception and, if necessary, monitors the effectiveness on a monthly basis by examining the hedging instrument's ability to offset changes in the fair value of the hedged item or cash flows.

If the derivatives do not meet the conditions of hedge accounting, changes in their fair values are recognised in other operating income and expenses when used to hedge actual business operations, and in financial income and expenses when they are hedging financial items. The effects of the interest element of derivatives are recognised in financial income and expenses.

The change in the fair value of the effective portion of derivative instruments meeting the conditions of cash flow hedging is recognised in other comprehensive income and presented in the equity hedge fund. Gains and losses accrued in equity from the hedging instrument are transferred to profit or loss when the hedged item affects profit or loss. The ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement either in other operating income or expenses, or in financial income or expenses, depending on its nature.

The Group has no hedges of a net investment in a foreign entity.

CLASSIFICATION AND HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

(EUR million)	Fair value through profit or loss LEVEL 2 2022	Fair value through other comprehensive income LEVEL 3 2022	Recorded at amortised cost 2022	Total 2022	Fair value through profit or loss LEVEL 2 2021	Fair value through other comprehensive income LEVEL 3 2021	Recorded at amortised cost 2021	Total 2021
Financial assets								
Equity investments		3.0		3.0		2.8		2.8
Accounts receivable and other receivables			30.0	30.0			32.1	32.1
Derivatives	1.4			1.4	0.0			0.0
Investments at fair value through profit or loss	38.7			38.7	67.9			67.9
Liquid funds			31.9	31.9			21.1	21.1
Total	**40.1**	**3.0**	**61.9**	**105.1**	**67.9**	**2.8**	**53.2**	**123.9**
Financial liabilities								
Accounts payable and other liabilities			21.8	21.8			26.7	26.7
Derivatives	0.1			0.1	0.2			0.2
Other loans			0.2	0.2			0.3	0.3
Lease liabilities			26.7	26.7			28.8	28.8
Total	**0.1**	**0.0**	**48.7**	**48.8**	**0.2**	**0.0**	**55.8**	**56.0**

Of the financial assets and liabilities measured at fair value, all belong to level 2 with the exception of equity investments, which are on level 3. There were no items on level 1. The fair value of the items on level 2 is defined with valuation techniques by using the valuations of an external service provider. Equity investments are on level 3 as their fair value is not based on observable market data.

THE RECONCILIATION FOR LEVEL 3 FINANCIAL ASSETS AND LIABILITIES

(EUR million)	
Opening balance for the fiscal year 2021	**2.8**
Decreases	-0.4
Profits and losses, statement of comprehensive income	0.4
Final balance for the fiscal year 2021	**2.8**
Opening balance for the fiscal year 2022	**2.8**
Decreases	-0.1
Profits and losses, statement of comprehensive income	0.3
Final balance for the fiscal year 2022	**3.0**

5.3 Valuation of financial assets

Accounting policies

At each balance sheet date, the Group assesses whether there is objective evidence of impairment of a financial asset or a group of financial assets. The impairment loss for loans and other receivables entered at amortised cost in the balance sheet is measured as the difference between the carrying amount of the item and the present value of estimated future cash flows discounted at the initial effective interest rate. Equity investments, which are not held for trading, are classified as financial assets at fair value through other comprehensive income. Of these investments, only dividends are recognised through profit or loss. Possible subsequent sales are not recognised through profit or loss and the fair value changes recognised in the fair value reserve are not reclassified through profit or loss.

Raisio assesses the expected credit losses related to assets measured at amortised cost proactively. Credit losses are recognised at an amount corresponding to the expected credit losses for the entire effective period. Raisio recognises the credit loss provision based on the realised credit loss average for the previous three years in relation to the receivables at the end of the financial period preceding each year. At the discretion of management, a credit loss provision higher than the above may be recorded if there is objective evidence of financial difficulties on the part of the customer.

Key estimates and discretionary solutions
The recognition of expected credit losses on assets covered by sales agreements, leases and customer contracts requires management estimates. For receivables that are more than 60 days past due, Raisio uses management judgement to recognise items it considers uncertain in the provision for credit losses.

Key estimates and discretionary solutions
The determination of the fair values of financial instruments requires management to use estimates if price quotations are not available for the instruments and the values are based on valuation models. Raisio endeavours to utilise as much observable external market data as possible in its valuations. When determining the fair values of financial assets and liabilities, the Group has used the following price quotations, assumptions and valuation models:

Investments in shares and financial securities
Equity investments are valued based on the latest known purchase price or the acquisition cost of the shares. Financial assets recognised at fair value through profit or loss are marketable and have been valued by using market prices at closing date or market interest rates corresponding to the length of the agreement.

Derivatives
The fair values of currency and interest rate derivatives are determined by using publicly quoted market prices at the balance sheet date. The fair values correspond to the prices that the Group would have to pay or would receive if it were to close a derivative contract in the ordinary course of business under the market conditions prevailing at the end date of the reporting period.

Lease liabilities
The fair values of lease liabilities are based on discounted cash flows. The discount rate used is the interest rate corresponding to the market rates corresponding to the rates specified in the agreements concerned.

Accounts payable and other liabilities, accounts receivable and other receivables and other loans
The original carrying value of accounts payable and other liabilities or accounts receivable and other receivables corresponds to their fair value because the effect of discounting is not material in view of the maturity of the liabilities or receivables.

5.3.1 Carrying values and fair values of financial assets and liabilities

(EUR million)	Note	Carrying value 2022	Fair value 2022	Carrying value 2021	Fair value 2021
Financial assets					
Equity investments		3.0	3.0	2.8	2.8
Accounts receivable and other receivables	5.3.2	30.0	30.0	32.1	32.1
Derivative contracts	5.3.4	1.4	1.4	0.0	0.0
Investments at fair value through profit or loss	5.3.4	38.7	38.7	67.9	67.9
Liquid funds	5.3.5	31.9	31.9	21.1	21.1
Financial liabilities					
Accounts payable and other liabilities	5.3.6	21.8	21.8	26.7	26.7
Derivative contracts	5.3.7	0.1	0.1	0.2	0.2
Other loans	5.3.7	0.2	0.2	0.3	0.3
Lease liabilities	5.3.8	26.7	27.5	28.8	28.8

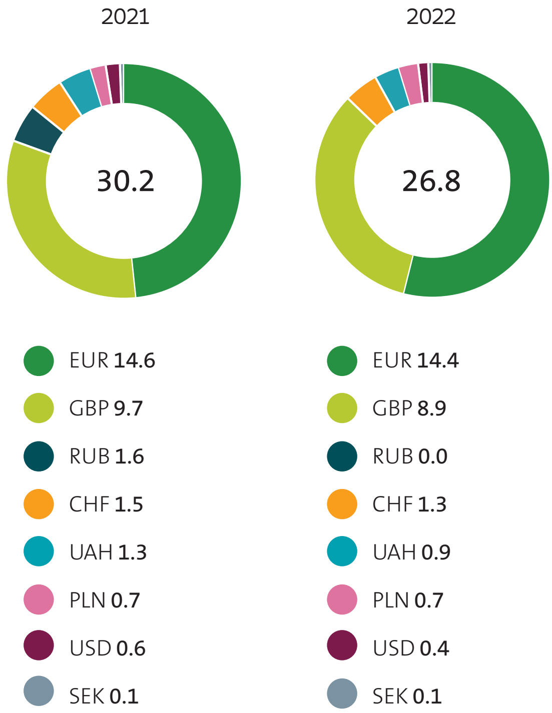
The carrying amounts in the Table above correspond to the consolidated balance sheet values and are further specified in the following Tables. Equity investments include unquoted share investments and similar rights of ownership.

5.3.2 Accounts receivable and other receivables

(EUR million)	2022	2021
Accounts receivable and other receivables included in financial assets		
Accounts receivable	26.8	30.2
Accrued income	1.5	0.3
Other receivables	1.7	1.5
Total	30.0	32.1
Receivables not included in financial assets		
Accrued income	0.7	0.7
Other receivables	0.2	0.3
Total	1.0	1.0
Total accounts receivable and other receivables	**31.0**	**33.1**

The subsidiaries' sales receivables in risk currencies are detailed in Table 'Balance sheet and transaction risk of the currency risk' under 5.4.1. The significant items included in accrued income are amortisations of operating income and expenses and financial items. In accordance with IFRS 9, the fair values of receivables classified as financial assets are presented in Table 5.3.1.

ACCOUNTS RECEIVABLE (EUR MILLION)
2021 AND 2022



5.3.3 Accounts receivable based on age

(EUR million)	2022	2021
Unexpired	22.6	25.9
Past due 1–60 days	3.7	4.2
Past due 61–180 days	0.5	0.1
Past due over 180 days	0.0	0.0
Accounts receivable in total	**26.8**	**30.2**
Impairment of sales receivables:		
Value on 1 January	0.1	0.1
Increases	0.1	0.0
Decreases	0.0	-0.1
Impairment in total on 31 December	**0.1**	**0.1**
Accounts receivable and impairment in total	**26.9**	**30.3**

During the financial period 2022, the Group has recognised EUR 0.1 million in credit loss provisions (EUR 0.1 million in 2021). The Group has recognised EUR 0.0 million in credit losses during the financial period 2022 (EUR 0.1 million in 2021).

5.3.4 Financial assets at fair value through profit or loss or in the comprehensive income statement

(EUR million)	2022	2021
Derivatives	1.4	0.0
Investments at fair value through profit or loss	38.7	67.9
Total	40.1	67.9

The investments at fair value through profit or loss include liquid interest rate instruments invested for cash management purposes. Table 5.1 in the notes to the financial statements shows the gains, losses and changes in value of financial assets at fair value through profit or loss.

5.3.5 Liquid funds in the cash flow statement

(EUR million)	2022	2021
Investments at fair value through profit or loss	38.7	67.9
Liquid funds	31.9	21.1
Liquid funds, discontinued operations	-2.5	
Liquid funds in the balance sheet and cash flow statement	**68.1**	**89.0**

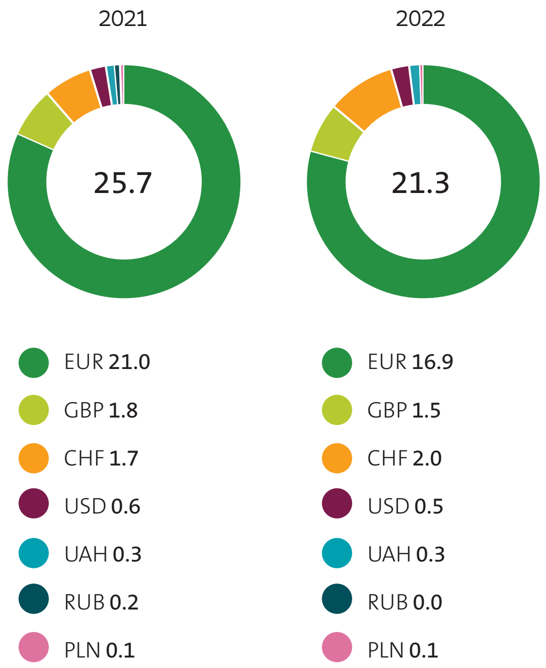
Investments at fair value through profit or loss are included in liquid funds in the cash flow statement as they include low-risk and highly liquid interest rate instruments.

5.3.6 Accounts payable and other liabilities

(EUR million)	2022	2021
Accounts payable and other liabilities included in financial liabilities		
Accounts payable	21.3	25.7
Advance payments	0.0	0.5
Accrued liabilities	0.0	0.1
Other liabilities	0.4	0.5
Total	**21.8**	**26.7**
Liabilities not included in financial liabilities		
Accrued liabilities	6.8	6.4
Other liabilities	2.5	1.0
Total	**9.2**	**7.5**
Total accounts payable and other liabilities	**31.0**	**34.2**

Accrued liabilities include amortisations of operating expenses and financial items. The most significant of these are the amortisations of wages, salaries and other personnel expenses, which amounted to EUR 3.9 million in 2022 (EUR 4.0 million in 2021).

ACCOUNTS PAYABLE (EUR MILLION)
2021 AND 2022



5.3.7 Financial liabilities

(EUR million)	2022	2021
Non-current financial liabilities		
Other loans	0.2	0.3
Lease liabilities	23.5	25.6
Total	**23.7**	**25.9**
Current financial liabilities		
Accounts payable and other liabilities	21.8	26.7
Derivatives	0.1	0.2
Lease liabilities	3.2	3.2
Total	**25.1**	**30.1**

The maturity breakdown of financial liabilities is presented in Table ‘Maturity breakdown’ under section 5.4.2 of the notes to the financial statements.

5.3.8 Lease liabilities

(EUR million)	2022	2021
Non-current lease liabilities 1 January	28.8	10.2
Translation differences	0.0	0.0
Increase in lease liabilities, acquired businesses		6.3
Increase in lease liabilities	0.9	13.8
Payments related to decrease of lease liabilities	-2.9	-1.5
Assets held for sale	0.0	
Total	**26.7**	**28.8**
Current share of non-current lease liabilities 31 December	3.2	3.2
Non-current lease liabilities 31 December	**23.5**	**25.6**
Non-current lease liabilities 1 January	25.6	9.5
Non-current lease liabilities 31 December	23.5	25.6
Current lease liabilities 1 January	3.2	0.6
Current lease liabilities 31 December	**3.2**	**3.2**

The increases in lease liabilities include EUR 12.2 (9.3) million in lease liabilities for the acquisition of process equipment related to the new production facility built in Raisio's industrial area. The Raisio Group has recognised a lease liability of approximately EUR 21.5 million related to its new production facility.

5.3.9 Contingent liabilities and other commitments and contingent assets

(EUR million)	31 December 2022	31 December 2021
Contingent off-balance sheet liabilities		
Other liabilities	6.9	4.6
Guarantee liabilities on the Group companies' commitments	4.1	1.5
Commitment to investment payments	1.7	2.4

5.4 Financial risk management

This section covers the Raisio Group's currency, liquidity, interest rate and counterparty risks and methods for their management. The purpose of risk management is to minimise the unfavourable effects of the financial markets on the Group's profit and equity and maintain a good level of liquidity. The principles for managing financial risk are defined in the Group's treasury policy approved by the Board of Directors.

Key estimates and discretionary solutions

The Raisio Group is exposed to transaction risks arising from foreign exchange positions and risks that arise when contracts in different currencies are converted into euro amounts. Management has exercised discretion when signing derivative contracts as a means of hedging against currency risk. Hedging transactions are carried out in accordance with the treasury policy approved by the Board of Directors.

5.4.1 Currency risk

Raisio is an international Group that operates in several currencies. Because of this, the Group is exposed to currency risks arising from cash flows in foreign currencies (transaction risk) and the conversion of the shares, assets, liabilities and income of foreign-currency subsidiaries into euros (translation risk).

Transaction risk refers to the exchange rate risk that arises between the date of agreement and the payment transaction. The Raisio Group hedges against foreign currency risks on its most significant foreign currency receivables and liabilities, off-balance sheet purchase and sales agreements and, to some extent, budgeted cash flows. The Group currently utilises currency forward contracts and options as a means of managing the transaction risks.

MOST SIGNIFICANT TRANSACTION RISKS

Business	Home currency	Risk currency	Net transaction
Benecol consumer product sales in the UK	GBP	CHF EUR	Purchases Purchases
Benecol consumer product sales in Ireland	EUR	CHF	Purchases
Production and sales of plant stanol ester, sales of snack products	EUR	CHF USD	Sales Purchases

The net transaction column in the table shows whether the currency gives rise to more purchases or sales for that business, i.e. the type of risk the company bears for that currency.

TRANSACTION RISK OF NET SALES 2022

(EUR million)	USD	CHF	SEK
+10% change in exchange rate	-0.4	-1.1	-0.1
-10% change in exchange rate	0.4	1.1	0.1

TRANSACTION RISK OF NET SALES 2021

(EUR million)	USD	CHF	RUB	SEK
+10% change in exchange rate	-0.4	-1.1	-0.4	-0.1
-10% change in exchange rate	0.4	1.1	0.4	0.1

Translation risk refers to the risk that arises when foreign currency items are converted to the domestic currency for accounting purposes. In accordance with the Raisio Group's treasury policy, translation risk is not, as a rule, hedged with currency derivatives. During the financial year 2022, 28.7% (29.3% in 2021) of the Group's net sales were generated in a functional currency other than the euro.

TRANSLATION RISK OF NET SALES 2022

(EUR million)	USD	GBP	PLN	UAH
+10% change in exchange rate	-0.1	-4.9	-0.5	-0.3
-10% change in exchange rate	0.1	6.0	0.6	0.4

TRANSLATION RISK OF NET SALES 2021

(EUR million)	USD	GBP	PLN	RUB	UAH
+10% change in exchange rate	0.0	-4.8	-0.4	-0.8	-0.4
-10% change in exchange rate	0.1	5.9	0.5	1.0	0.5

BALANCE SHEET AND TRANSACTION RISK OF THE CURRENCY RISK 31 DECEMBER 2022

(EUR million)	EUR	USD	GBP	CHF	PLN	SEK
Accounts receivable	0.3	0.3	0.0	1.3	0.2	0.1
Bank accounts	-0.1	0.0	0.1	0.0	0.0	0.0
Accounts payable	-2.6	-0.6	0.0	-2.0	0.0	-0.2
Internal loans	-1.0	0.2			1.0	
Balance sheet risk, total	**-3.5**	**-0.1**	**0.0**	**-0.7**	**1.1**	**-0.1**
Forecast sales, less than one year	0.0	4.3	0.0	11.0	0.0	1.2
Forecast purchases, less than one year	-15.6	-8.5	0.0	-21.3	0.0	-0.5
Forecast risk, total	**-15.6**	**-4.2**	**0.0**	**-10.2**	**0.0**	**0.7**
Currency hedges, total	**8.8**	**2.1**		**5.6**	**-1.0**	
Net risk, total	**-10.2**	**-2.2**	**0.0**	**-5.3**	**0.2**	**0.6**

Forecast sales and purchases are based on the forecasts reported by the Group's operating segments. For these, the table only shows foreign currency items that are significant from the Group's standpoint. The negative values in the table represent purchases or debts, while the positive values represent sales or assets.

BALANCE SHEET AND TRANSACTION RISK OF THE CURRENCY RISK 31 DECEMBER 2021

(EUR million)	EUR	USD	GBP	CHF	PLN	RUB	SEK
Accounts receivable	0.2	0.6	0.0	1.5	0.2	0.2	0.1
Bank accounts	-0.7	0.0	-0.1	-0.3	0.1	0.0	0.3
Accounts payable	-3.6	-0.7	-0.1	-1.7	0.0	0.0	-0.2
Internal loans	-1.0	0.2			1.0		
Balance sheet risk, total	**-5.0**	**0.1**	**-0.2**	**-0.4**	**1.3**	**0.2**	**0.2**
Forecast sales, less than one year	0.0	3.7	0.0	10.9	0.0	3.8	1.2
Forecast purchases, less than one year	-15.9	-6.5	0.0	-22.3	0.0	0.0	-0.5
Forecast risk, total	**-15.9**	**-2.8**	**0.0**	**-11.4**	**0.0**	**3.8**	**0.8**
Currency hedges, total	**6.1**	**3.5**		**6.1**	**-1.0**	**-0.4**	
Net risk, total	**-14.8**	**0.8**	**-0.2**	**-5.8**	**0.3**	**3.6**	**0.9**

CURRENCY SENSITIVITY ANALYSIS IN ACCORDANCE WITH IFRS 7, 2022

(EUR million)	Business transaction risk (less than one year) +/-10%	Financial risk (less than one year) +/-10%	Translation risk, EBT +10%	Translation risk, EBT -10%	Translation risk, equity +10%	Translation risk, equity -10%
EUR	0.7	0.1				
USD	0.2	0.0	0.0	0.0	-0.2	0.2
GBP	0.0	0.0	-1.0	1.2	-9.4	11.4
CHF	0.5	0.0				
PLN	0.0	0.0	0.0	0.0	0.1	-0.1
SEK	0.0	0.0	-0.1	0.1	-0.1	0.1
UAH			0.0	0.0	-0.1	0.1

The table includes currency hedges but no forecasted cash flows. Business transaction risks include sales receivables, accounts payable and currency hedges. Financial risks include internal currency loans and foreign currency bank balances. The calculation does not take into account foreign currency funds in portfolios managed by asset managers or related currency hedges. The figures in the above table show the risk of each currency against all other currencies. Utilising the Group's reporting system, the translation risks were defined by determining the foreign exchange rates against one euro at the end of the year and changing them one at a time by +/-10%. 'Translation risk, EBT' is the exchange rate risk on the Group's earnings before tax and 'translation risk, equity' is the exchange rate risk on the value of the Group's equity.

CURRENCY SENSITIVITY ANALYSIS IN ACCORDANCE WITH IFRS 7, 2021

(EUR million)	Business transaction risk (less than one year) +/-10%	Financial risk (less than one year) +/-10%	Translation risk, EBT +10%	Translation risk, EBT -10%	Translation risk, equity +10%	Translation risk, equity -10%
EUR	0.3	0.2				
USD	0.3	0.0	0.0	0.0	-0.1	0.2
GBP	0.0	0.0	-1.1	1.3	-10.0	12.2
CHF	0.6	0.0				
PLN	0.1	0.0	0.0	0.0	0.1	-0.1
RUB	0.0	0.0	-0.1	0.1	-0.3	0.3
SEK	0.0	0.0	0.0	0.0	-0.3	0.3
UAH			0.0	0.0	-0.1	0.2

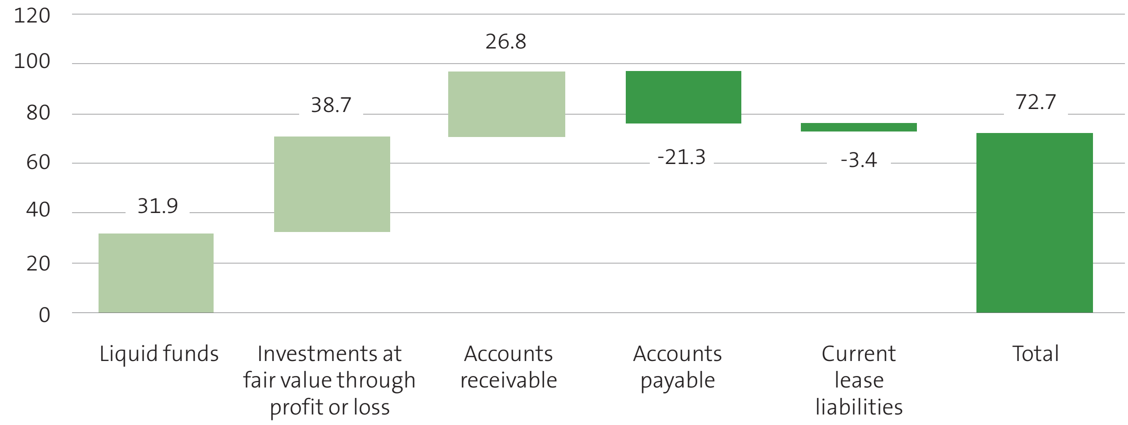
NOMINAL VALUES OF DERIVATIVES

(EUR million)	31 December 2022	31 December 2021
Currency derivatives, in hedge accounting	42.8	43.4
Currency derivatives, not in hedge accounting	1.0	1.1
Interest rate derivatives, in hedge accounting	14.5	15.5
Total	**58.3**	**60.1**

5.4.2 Liquidity risk

Liquidity risk refers to the risk that the financial assets and additional financing options would not cover the future needs of business operations. In line with its treasury policy, the Raisio Group strives to maintain good liquidity in all circumstances to meet its obligations and enable the implementation of its strategic business plans. At the balance sheet date, the Group's liquidity consisted of liquid assets, investments at fair value through profit or loss, overdraft facilities and a non-binding commercial paper programme. Investments at fair value through profit or loss include an investment portfolio managed by an asset manager. In compliance with the treasury policy, any additional financing needs are covered with leasing, bank loans and financial market instruments. All significant borrowing decisions are approved by the Group's Board of Directors.

SHORT-TERM LIQUIDITY (EUR MILLION)



The table shows the Raisio Group's short-term liquidity position using undiscounted values. The table does not include derivatives, signed guarantees, overdraft facilities or the non-binding commercial paper programme. The Group's liquidity is at a good level also with these items.

MATURITY BREAKDOWN 2022

(EUR million)	total	under 3 months	3–6 months	6–9 months	9–12 months	1–2 years	2–5 years	over 5 years
Financial liabilities								
Accounts payable	-21.3	-21.3						
Lease liabilities	-22.3	-0.5	-1.2	-0.5	-1.2	-2.8	-5.8	-10.3
Total	**-43.6**	**-21.8**	**-1.2**	**-0.5**	**-1.2**	**-2.8**	**-5.8**	**-10.3**
Interest rate derivatives, in hedge accounting								
The amount to be received	0.6	0.1		0.1		0.2	0.2	
The amount to be paid	-0.1	0.0		0.0		0.0	0.0	
Total	0.5	0.1		0.1		0.2	0.2	
Currency derivatives, in hedge accounting								
The amount to be received	38.7	18.2	12.2	7.1	1.2			
The amount to be paid	-38.6	-18.1	-12.2	-7.1	-1.2			
Total	**0.1**	**0.1**	**0.0**	**0.0**	**0.0**			
Currency derivatives, not in hedge accounting								
The amount to be received	0.9				0.9			
The amount to be paid	-1.0				-1.0			
Total	**-0.1**				**-0.1**			
Guarantee contracts								
Guarantees signed	-4.1	-4.1						

The table uses undiscounted values. Lease liabilities for leases of indefinite duration are taken into account in calculations for the new strategy period up until the end of 2025. Signed guarantee contracts refer to guarantees signed by the parent company on behalf of the subsidiaries. They are included in the earliest period in which the guarantee may be claimed. The Raisio Group does not view their realisation as being probable.

MATURITY BREAKDOWN 2021

(EUR million)	Total	under 3 months	3–6 months	6–9 months	9–12 months	1–2 years	2–5 years	over 5 years
Financial liabilities								
Accounts payable	-25.7	-25.7						
Lease liabilities	-30.1	-0.6	-1.2	-0.6	-1.1	-3.4	-7.4	-15.9
Total	**-55.8**	**-26.3**	**-1.2**	**-0.6**	**-1.1**	**-3.4**	**-7.4**	**-15.9**
Interest rate derivatives, in hedge accounting								
The amount to be received	0.0							
The amount to be paid	-0.2	0.0		0.0		0.0	-0.1	
Total	**-0.2**	**0.0**		**0.0**		**0.0**	**-0.1**	
Currency derivatives, in hedge accounting								
The amount to be received	36.3	18.4	9.3	6.5	2.1			
The amount to be paid	-36.4	-18.5	-9.4	-6.5	-2.1			
Total	**-0.1**	**-0.1**	**-0.1**	**0.0**	**0.0**			
Currency derivatives, not in hedge accounting								
The amount to be received	1.0	0.1			0.9			
The amount to be paid	-1.1	-0.1			-1.0			
Total	**0.0**	**0.0**			**0.0**			
Guarantee contracts								
Guarantees signed	-1.5	-1.5						

5.4.3 Interest rate risk

Interest rate risk refers to the impact of interest rate fluctuations on the Raisio Group's net financial income and expenses, and on the market values of various fixed-income investments and interest rate derivatives over the next 12 months. In line with the Group's treasury policy, the interest rate risk is managed by controlling the structure, maturity and repayment structures of the loan portfolio and fixed-income investments. Tools for this can include interest rate swaps, futures and options. On the balance sheet date, the Group had a binding interest rate derivative of EUR 14.5 million related to equipment for the new production facility. The derivative falls due in March 2025, and its purpose is to eliminate the interest rate risk of the lease liability during its validity. As a result of the exceptional interest rate environment, the Group has invested its cash reserves in liquid interest rate instruments with a low credit and interest rate risk as a means of avoiding negative interest on deposits. At the balance sheet date, the duration of the investment portfolio managed by an asset manager was 1.009 years, with a total capital and unrealised change in value of EUR 35.7 million. With the above duration figure incorporated, a decrease or increase of 100 basis points in the market interest rate would have an impact of EUR +/-0.4 million on the Group's earnings before taxes.

5.4.4 Counterparty risk

Counterparty risk refers to a situation in which a contracting party is unable or unwilling to fulfil its obligations. The Raisio Group is exposed to counterparty risk through the business units' purchase and sale agreements and other contracts and financial transactions. Careful selection of counterparties with good credit rating is a key means of managing this risk.

Financial credit risk
In accordance with the treasury policy, counterparties to financial transactions may include member states of the European Monetary Union, financial institutions with a good credit rating engaged in corporate banking in Finland and companies with a good credit rating that are registered in a member state of the European Monetary Union. A company registered in Finland without a credit rating can only be accepted as a counterparty with the approval of the CFO.

Credit risk in sales

The principles for managing credit risk in sales are defined in the credit policy approved by the Raisio Group's Board of Directors. The operating segments make independent decisions regarding counterparty risk, such as the criteria for accepting customers, the applicable terms and conditions for sales and the guarantees required, within the limits allowed by the Group's credit policy. Sales receivables can also be secured with credit insurance policies.

The Raisio Group operates in grocery trade markets and its accumulated credit risks result from the structure of these markets. A significant part of the Group's net sales comes from large grocery chains in the UK and Finland. The Group has not detected any deterioration in the creditworthiness of its major customers in the UK or Finland.

CREDIT LOSSES

(EUR million)	Receivables 31 December 2022	Credit losses from previous years with respect to receivables	Calculated minimum credit loss provision	Credit loss provision 2022	Credit loss provision 2021
All receivables, in total	26.8	0.1%	0.0	0.1	0.1
Receivables past due, in total	4.2	1.0%	0.0	0.1	0.1
Receivables more than 60 days past due	0.6	10.9%	0.1	0.1	0.1

The table shows a comparison between the Group's realised credit losses for the last three financial years and the receivables at the beginning of each financial year. A provisioning matrix has been applied to the calculation, based on historical data on credit losses incurred by the Group in the past and the Group's assessment of future financial conditions.

6 Current taxes and deferred tax

This note contains the notes related to income taxes and deferred taxes.

6.1 Income taxes

Accounting policies

The Group's tax expense includes taxes based on the result of the Group companies for the financial year, adjustments to taxes for previous financial periods and changes in deferred taxes. Taxes are recognised through profit or loss, except when they are related to the statement of comprehensive income or items directly recognised in shareholders' equity. In this case, tax effects are also recognised in the corresponding items. Current tax is calculated from the taxable income according to the valid tax rate of each country. The tax is adjusted by possible taxes related to previous accounting periods.

The Group offsets current tax assets and liabilities if the Group has a legally enforceable right to set off the recognised items from each other.

Key estimates and discretionary solutions

The Group is subject to taxation in several countries, and the calculation of income taxes involves a great deal of estimation and judgement. The amounts recorded as taxes correspond to the current perception and the interpretation of current tax laws. Management regularly estimates the statements made in tax calculations in situations where tax provisions are open to interpretation.

INCOME TAXES

(EUR million)	2022	2021
Tax based on the taxable income for the period	-2.4	-2.9
Taxes for previous financial periods	0.2	2.2
Deferred tax	-0.3	-2.5
Total	-2.5	-3.1

In 2022, the tax expense based on profit for the financial year was EUR 2.5 (3.1) million and the effective tax rate was 16.5% (14.9% in 2021). The effective tax rate for the comparison period was reduced by a tax refund of EUR 2.3 million from previous years related to the UK business.

Reconciliation between the tax expense in the income statement and the Group's tax calculated at the Finnish tax rate of 20% (20% in 2021):

(EUR million)	2022	2021
Taxes calculated on the basis of the domestic tax rate	-3.0	-4.2
Impact of a deviating tax rate used in foreign subsidiaries	0.1	0.1
Valuation of deferred taxes, change in tax rate	-0.2	-1.2
Returns exempt from tax	0.1	0.1
Non-deductible expenses	-0.1	-0.1
Utilisation of tax refund receivable from previously unrecognised tax losses	0.3	0.1
Other tax assets not previously recognised	0.2	
Deductions of previously recognised tax assets		0.0
Additional tax deductions	0.1	0.0
Tax from previous years	0.2	2.2
Other items	-0.1	-0.1
Total	-2.5	-3.1

The income tax rate for the Healthy Food Segment's Western Europe business unit will change from 19% to 25% from 1 April 2023 onwards. The impact of the valuation of deferred taxes due to the change in the tax rate for the financial year 1 January–31 December 2022 is EUR 0.2 million and for the comparison period EUR 1.2 million.

INCOME TAX LIABILITIES

(EUR million)	2022	2021
Income tax liability	0.1	0.4
Income tax liability	0.1	0.4

6.2 Deferred tax

Accounting policies

Deferred taxes are calculated on temporary differences between the carrying values and tax values of assets and liabilities and unused tax losses to the extent that they are likely to be utilised against future taxable income.

Deferred taxes have been calculated using the tax rates enacted by the end of the financial year or the tax rates whose approved content has been announced by the end of the financial year.

The most significant temporary differences arise from the depreciation of tangible and intangible assets, provisions, measurement of derivative contracts at fair value and fair value adjustments made in connection with business combinations. No deferred tax is entered for non-deductible goodwill.

Key estimates and discretionary solutions

The recognition of deferred tax assets requires management to exercise judgement as to whether the receivables are likely to be utilised or used against deferred tax liabilities in the foreseeable future. A deferred tax asset has been recognised to the extent that it is probable that taxable income will be generated in the future, against which the temporary difference can be used. The recognition requirements for deferred tax assets are assessed at the end of each reporting period.

Deferred tax assets corresponding to tax losses for later use have been recognised to the extent that it is probable that they can be utilised based on cumulative future profits.

(EUR million)	31 December 2022	31 December 2021
Opening balance 1 January	56.0	41.3
Translation difference	0.4	1.7
Increase 1 January–31 December, acquired business		12.4
Increase 1 January–31 December	0.0	1.4
Decrease 1 January–31 December	-1.9	-0.8
31 December	**54.6**	**56.0**
Deductible losses, able to use	7.2	7.4
Deductible losses, unable to use	**47.3**	**48.6**

The Group's accumulated losses total EUR 54.6 million on 31 December 2022 (31 December 2021: EUR 56.0 million). The majority of them will expire over a period longer than five years. Accumulated losses on 31 December 2022 totalled EUR 7.2 million and were entered as tax assets. Accumulated losses for which no tax asset has been recognised relate to the Raisio Group's foreign units and partly to Verso Food Oy, which was acquired in 2021.

Deferred net tax liability

The amounts defined by netting in the consolidated balance sheet are as follows:

(EUR million)	2022	2021
Deferred tax assets	3.7	3.9
Deferred tax liabilities	10.0	9.8
Deferred net tax liability	**6.3**	**5.9**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

No deferred tax liability has been recognised for the undistributed earnings of foreign subsidiaries.

CHANGES IN DEFERRED TAX IN THE FINANCIAL YEAR 2022

(EUR million)	1 January 2022	Recognised in the income statement	Divested business	Recorded in other comprehensive income	Translation differences	31 December 2022
Deferred tax assets:						
Provisions	0.4	0.0	0.0		0.0	0.3
Confirmed tax losses	1.5	0.0				1.4
Derivative contracts	0.0			0.0		0.0
Depreciation not deducted in taxation	2.0	-0.3			-0.1	1.6
Other items	0.0	0.3				0.3
Total	**3.9**	**-0.1**	**0.0**	**0.0**	**0.0**	**3.7**
Deferred tax liabilities:						
Accumulated depreciation difference	7.2	0.6	0.0		-0.3	7.5
Equity investments	0.5			0.1		0.5
Derivative contracts	0.0			0.3		0.3
Provisions	1.4	-0.2	0.0		0.0	1.2
Other items	0.6	-0.2			0.0	0.5
Total	**9.8**	**0.2**	**0.0**	**0.3**	**-0.3**	**10.0**

CHANGES IN DEFERRED TAX IN THE FINANCIAL YEAR 2021

(EUR million)	1 January 2021	Recognised in the income statement	Acquired business	Recorded in other comprehensive income	Translation differences	31 December 2021
Deferred tax assets:						
Provisions	0.2	0.2			0.0	0.4
Confirmed tax losses	0.1	0.3	1.2			1.5
Derivative contracts	0.0			0.0		0.0
Depreciation not deducted in taxation	1.9	0.0			0.1	2.0
Other items	0.0			0.0		0.0
Total	**2.3**	**0.4**	**1.2**	**0.0**	**0.1**	**3.9**
Deferred tax liabilities:						
Accumulated depreciation difference	4.0	2.9			0.3	7.2
Equity investments	0.5			0.0		0.5
Derivative contracts	0.0			0.0		0.0
Provisions	1.2	0.2				1.4
Other items	0.5	-0.2	0.3		0.0	0.6
Total	**6.3**	**2.9**	**0.3**	**0.0**	**0.3**	**9.8**

6.3 Taxes related to the items of other comprehensive income

TAXES RELATED TO THE ITEMS OF OTHER COMPREHENSIVE INCOME

(EUR million)	Before taxes	Tax impact	After taxes
Year 2022			
Change in equity investments	0.6	-0.1	0.5
Cash flow hedge	1.5	-0.3	1.2
Translation differences	-2.5		-2.5
	-0.4	**-0.4**	**-0.9**
Year 2021			
Change in equity investments	0.4	-0.1	0.3
Cash flow hedge	0.0	0.0	0.0
Translation differences	5.8		5.8
	6.1	**-0.1**	**6.0**

7 Equity

This section includes the notes on share capital and equity funds, translation differences, information on company shares and dividend distribution and notes on earnings per share of continuing operations.

7.1 Equity and equity funds

BREAKDOWN OF THE PARENT COMPANY'S SHARE CAPITAL BY SHARE CLASS

(EUR million)	1,000 shares	Share capital	Company shares
Restricted shares converted into free shares	10		
Disposal of company shares, free shares	-92		-0.2
31 December 2020			
Restricted shares (20 votes/share)	31,445	5.3	
Restricted shares, company shares	-213		-0.4
Free shares (1 vote/share)	133,704	22.5	
Free shares, company shares	-7,490		-19.2
Total	**157,446**	**27.8**	**-19.6**
Restricted shares converted into free shares	485		
Disposal of company shares, free shares	-1,010		-1.8
31 December 2021			
Restricted shares (20 votes/share)	30,961	5.2	
Restricted shares, company shares	-213		-0.4
Free shares (1 vote/share)	134,188	22.6	
Free shares, company shares	-6,480		-17.4
Total	**158,456**	**27.8**	**-17.8**
Restricted shares converted into free shares	47		
Cancellation of company shares, restricted shares	-213		-0.4
Cancellation of company shares, free shares	-5,000		-14.1
Disposal of company shares, free shares	-257		-0.4
31 December 2022			
Restricted shares (20 votes/share)	30,701	5.3	
Restricted shares, company shares	0		0.0
Free shares (1 vote/share)	129,235	22.4	
Free shares, company shares	-1,224		-2.9
Total	**158,713**	**27.8**	**-2.9**

TRANSLATION DIFFERENCES

(EUR million)	2022	2021
Translation differences 1 January	-14.8	-20.6
Change in translation difference	-2.5	5.8
Translation differences 31 December	**-17.3**	**-14.8**

The foreign currency translation reserve includes the translation differences arising from the translation of the financial statements of independent foreign entities. Gains and losses from the hedges of net investments in independent foreign entities are also included in the translation differences when the requirements for hedge accounting have been met.

OTHER FUNDS

(EUR million)	2022	2021
Other funds:		
Equity investments	3.0	2.4
Hedge fund	-1.9	-3.0
Other funds total	**1.1**	**-0.6**

Other funds include the fair value reserve for financial assets held for sale as well as a hedge fund. The hedge fund includes the effective portion of accrued fair value changes of derivative instruments used for cash flow hedging.

Company shares
At the end of the financial year 1 January–31 December 2022, Raisio plc held 1,223,722 free shares.

CHANGES IN COMPANY SHARES DURING THE FINANCIAL YEAR 2022

(EUR million)	shares
1 January 2022	**6,693,037**
Assignment of shares to the Chairperson and members of the Board	-16,765
Assignment of shares to management and key employees	-239,854
Cancelled shares	-5,212,696
31 December 2022	**1,223,722**

Raisio plc and its subsidiaries do not have any company shares as collateral, nor have they had any during the review period.

7.2 Dividends

Accounting policies
The dividends paid by the Group are recognised in the financial period during which the shareholders have approved the dividends for payment.

Dividends
In 2022, a dividend of EUR 0.14 per share was paid for 2021, totalling EUR 22.1 million (in 2021, EUR 0.13 per share for 2020, totalling EUR 20.6 million).

After the balance sheet date, the parent company's Board of Directors has proposed that a dividend of EUR 0.14 per share be paid, totalling EUR 22.4 million. The proposed dividends for 2022 comprise a base dividend of EUR 0.08 per share with an additional supplementary dividend of EUR 0.06 per share.

7.3 Earnings per share

EARNINGS PER SHARE, CONTINUING OPERATIONS

(EUR million)	2022	2021
Profit for the period for equity holders of the parent company, continuing operations (EUR million)	12.5	18.0
Undiluted weighted average of shares in the financial period	158,639,663	157,445,889
Dilution resulting from share-based compensation	720,838	669,117
Diluted weighted average of shares in the financial period	159,360,501	158,115,006
Undiluted earnings per share, continuing operations (EUR/share)	0.08	0.11
Diluted earnings per share, continuing operations (EUR/share)	0.08	0.11

Undiluted earnings per share have been calculated by dividing the profit for the period from continuing operations attributable to the shareholders of the parent company by the weighted average number of outstanding shares during the financial period.

In calculating diluted earnings per share, the weighted average number of shares takes into account the dilutive effect of converting all dilutive potential shares into shares.

EARNINGS PER SHARE

(EUR million)	2022	2021
Profit for the period for equity holders of the parent company (EUR million)	4.8	20.9
Undiluted weighted average of shares in the financial period	158,639,663	157,445,889
Dilution resulting from share-based compensation	720,838	669,117
Diluted weighted average of shares in the financial period	159,360,501	158,115,006
Undiluted earnings per share (EUR/share)	0.03	0.13
Diluted earnings per share (EUR/share)	0.03	0.13

Undiluted earnings per share have been calculated by dividing the profit for the period attributable to the shareholders of the parent company by the weighted average number of outstanding shares during the financial period.

In calculating diluted earnings per share, the weighted average number of shares takes into account the dilutive effect of converting all dilutive potential shares into shares.

8 Personnel and related parties

This section includes the notes on personnel and related parties.

8.1 Employee benefits

Accounting policies
Employee benefits include short-term employee benefits, termination benefits and post-employment benefits.

Short-term employee benefits include wages and salaries, fringe benefits, annual leave and bonuses, among others. Termination benefits refer to benefits arising from the termination of employment and service.

Post-employment benefits consist of pensions and other post-employment benefits paid. Pension schemes are classified as defined contribution and defined benefit schemes. The Group only has defined contribution pension schemes.

Under defined contribution schemes, the Group makes payments to separate units. The Group has no legal or constructive obligation to make further payments if the payment recipient does not have sufficient assets to pay the pension benefits in question. All arrangements not meeting these conditions are defined benefit schemes.

The Group's pension schemes comply with the local regulations of each country. Pension schemes are usually managed by separate pension insurance companies. The Group's foreign schemes, as well as the Finnish TyEL scheme, are defined contribution systems. Payments made to defined contribution pension schemes are recognised through profit or loss in the accounting period the charge applies to. The Group has no defined benefit schemes.

EXPENSES ARISING FROM EMPLOYEE BENEFITS

(EUR million)	2022	2021
Wages and salaries	19.9	19.1
Termination benefits		0.3
Pension expenses, defined contribution plans	3.2	3.2
Share-based rewards	0.5	0.8
Other social security expenses	1.1	1.1
Total	**24.6**	**24.6**

AVERAGE NUMBER OF PEOPLE EMPLOYED BY THE GROUP IN THE FINANCIAL PERIOD

	2022	2021
Healthy Food	112	114
Healthy Ingredients	185	166
Other Operations	45	47
Total	**342**	**327**

The average number of employees increased compared to the comparison period due to the commissioning of the new production plant and the acquired business.

8.2 Share-based payments

Key estimates and discretionary solutions
Under the share-based incentive scheme, the potential reward for each earnings period is based on the company's Total Shareholder Return (TSR). In addition, the reward payment required the achievement of the Group's cumulative profit target (EBT, earnings before taxes) in the corresponding period. The management changed the cumulative profit target (EBT) to be the EBIT profit target from 2022 onwards.

Accounting policies
The shares issued under the share-based incentive schemes are measured at fair value at grant date and recognised as employee benefit expenses on a straight-line basis over the earnings and commitment periods. Cash-settled transactions are estimated using the share price at each closing date and amortised through profit or loss as employee benefit expenses from the grant date to the end date of the earnings period or commitment period, whichever is longer. The contribution in shares and cash is recognised in shareholders' equity and social costs in liabilities. Payments made on the basis of share-based incentive schemes are paid as company shares previously acquired for the parent company, as cash or as a combination of these two.

Share-based payments
On 31 December 2022, the Raisio Group had four valid share-based incentive schemes aimed at the Group's management and designated key persons and approved by Raisio plc's Board of Directors: scheme 2020–2022, scheme 2021–2023, scheme 2022–2024 and scheme 2023–2025. In each share-based incentive scheme, the total amount of the rewards payable on the basis of its earnings period corresponds to the value of up to 1,000,000 Raisio plc's free shares, including the part paid in cash.

The earnings period of each share-based incentive scheme is three years. For each earnings period, Raisio plc's Board of Directors decides on the earnings criteria, the target group and the maximum amount of the share reward per participant. The amount of the reward and the number of Raisio plc's free shares to be transferred based on the achievement of the earnings criteria of the scheme are determined by the Board of Directors at the beginning of the year following the end of the earnings period.

In all schemes, the potential reward for each earnings period is based on the company's Total Shareholder Return (TSR). In addition to this, the payment of the reward is conditional on the achievement of the Group's cumulative profit target (EBIT) in the corresponding period. Possible rewards are paid partly in the company's free shares and partly in cash. The cash payment is made to cover the key employee's taxes and fiscal fees arising from the reward. If the employment or service of the person ends before the reward payment, the reward is generally not paid.

The Board recommends that the key employees within the scheme hold a substantial part of all shares they have received based on the scheme until the value of their holdings corresponds to their six months' gross salary.

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. On 16 March 2022, Raisio plc's Board of Directors approved the rewards to be paid under the 2019–2021 share reward scheme and the transfer of the part paid in shares to key employees. The outturn for the 2019–2021 earnings period was 82.3 per cent. On 4 April 2022, Raisio plc issued a total of 239,854 free shares (RAIVV) held by the company to the key employees within the share reward scheme. 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 targets set for the 2020–2022 earnings period were not met.

Based on the decision of the General Meetings, the members of the Board of Directors have been paid 20% of their rewards by assigning the company's own shares to them. For the financial year 1 January–31 December 2022, a total of 16,765 free shares have been granted to the Chairperson and members of the Board of Directors as part of their remuneration for the performance of their duties. For the financial year 1 January–31 December 2021, a total of 10,104 free shares have been granted to the Chairperson and members of the Board.

Share-based schemes

SHARE-BASED INCENTIVE SCHEME

(EUR million)	2019–2021	2020–2022	2021–2023	2022–2024	2023–2025
Original number of shares	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Original grant date	4 January 2019	21 January 2020	18 January 2021	28 January 2022	
Exercise date	4 April 2022	30 April 2023	30 April 2024	30 April 2025	30 April 2026
Vesting period, years	3.3	3.3	3.3	3.3	3.3
Remaining vesting period, years		0.3	1.3	2.3	3.3
Number of persons at the end of the period		19	25	26	
Payment method	shares and cash	shares and cash	shares and cash	shares and cash	shares and cash

CHANGES IN 2022	2019–2021 number of shares	2020–2022 number of shares	2021–2023 number of shares	2022–2024 number of shares	2023–2025 number of shares
1 January 2022					
Number of shares at the beginning of the reporting period	485,000	535,000	770,000		
In reserve at the beginning of the reporting period	515,000	465,000	230,000	1,000,000	
Changes during the reporting period					
Granted				780,000	
Cancelled			15,000	15,000	
Realised	399,155				
Expired	600,845				
31 December 2022					
Number of shares at the end of the reporting period		535,000	755,000	765,000	
In reserve at the end of the reporting period		465,000	245,000	235,000	1,000,000

Determination of fair value

The fair value of the contribution in shares and cash is determined at the grant date and amortised until the exercise date. The fair value of the social costs is determined at each reporting date until the possible reward has been paid. Thus, the amount of social cost debt will change as Raisio's share price changes.

PARAMETERS USED IN THE CALCULATION OF SHARE-BASED INCENTIVE SCHEMES GRANTED DURING THE PERIOD

(EUR million)	2022		2021	
Share price at grant date, euros	3.16		3.45	
Share price at closing date, euros	2.49		3.37	
Share price increase assumption, p.a.	6.4	%	6.4	%
Expected dividends before reward payment, euros	0.55		0.51	
Discount rate	4.0	%	6.4	%
Years to maturity	3.3		3.2	

COSTS FROM EMPLOYEE BENEFITS INCLUDE EQUITY-SETTLED SHARE-BASED PAYMENTS

(EUR million)	2022	2021
Equity-settled	0.5	0.8
Cash-settled	0.0	0.0
	0.5	0.8
Debt from cash-settled share-based plans	0.0	0.0

8.3 Related parties

The Raisio Group's related parties include its subsidiaries and the members of the Board of Directors and Supervisory Board and the CEO and other members of the Executive Committee, as well as close family members of the aforementioned individuals and entities in which these individuals have control or considerable influence.

8.3.1 Related party transactions

(EUR million)	2022	2021
Sales to key employees in management	1.9	1.2
Purchases from key employees in management	0.3	0.2
Current receivables from key employees in management	0.2	0.1
Payables to key employees in management	0.0	0.1

Related party transactions of the fish feed business held for sale and reported as discontinued operations for the financial year 1 January–31 December 2022 were as follows: sales to related parties EUR 3.8 (2.4) million and purchases from related parties EUR 2.8 (9.4) million. Sales to key management personnel are carried out at fair market price.

AUDITORS' REMUNERATIONS

(EUR million)	2022	2021
Auditors' remunerations:		
Audit	0.2	0.2
Other services	0.0	0.0
Total	0.2	0.2

8.3.2 Management's employee benefits

(EUR million)	2022	2021
Salaries and fees	2.1	2.0
Share-based payments	0.6	0.0
Total	**2.7**	**2.0**
Members of the Supervisory Board	0.0	0.0
Members of the Board of Directors	0.3	0.2
CEO and the Group Executive Committee:		
CEO	0.8	0.7
Other members of the Executive Committee	1.6	1.1
Total	**2.4**	**1.7**

8.3.3 Pension and other benefits

The pensions of the CEO and members of the Group Executive Committee are determined in accordance with the employment pension scheme in Finland, and these individuals fall within the sphere of the group pension insurance policy for Raisio Group management. The annual contribution paid for the group pension insurance policy is 15 per cent of a director's basic annual salary. From 2020 onwards, the statutory pensionable age will be used in executive-level contracts. For members of the Executive Committee and the CEO appointed prior to 2020, the pensionable age is 62 years.

The notice period for the CEO's executive contract is 6 months from both sides. If the contract is terminated by the company, the CEO is entitled to compensation corresponding to 12 months' pay, in addition to the pay for the period of notice.

SUPPLEMENTARY PENSION COSTS

(EUR million)	2022	2021
CEO	0.1	0.1
Other members of the Executive Committee	0.2	0.1
Total	**0.3**	**0.2**

In 2022, the cost of the supplementary pension insurance amounted to EUR 0.1 million for the CEO and EUR 0.2 million for other Executive Committee members, totalling EUR 0.3 million. In 2021, the cost of the supplementary pension insurance amounted to EUR 0.1 million for the CEO and EUR 0.1 million for other Executive Committee members, totalling EUR 0.2 million.

COMPULSORY PENSION INSURANCE COSTS

(EUR million)	2022	2021
CEO	0.1	0.1
Other members of the Executive Committee	0.2	0.2
Total	0.4	0.2

In 2021, the cost of the compulsory pension insurance amounted to EUR 0.1 million for the CEO and EUR 0.2 million for other Executive Committee members, totalling EUR 0.3 million.

In 2020, the cost of the compulsory pension insurance amounted to EUR 0.1 million for the CEO and EUR 0.2 million for other Executive Committee members, totalling EUR 0.2 million.

9 Other notes

This section includes the notes on other income and expenses and provisions.

9.1 Other operating income and expenses

Accounting policies
Other operating income and expenses include income and expenses other than those related to actual sales. Other operating income and expenses also include gains and losses on the disposal of tangible and intangible assets, other income or expenses, and realised and unrealised foreign exchange gains and losses related to accounts receivable and payable.

OTHER OPERATING INCOME AND EXPENSES

(EUR million)	2022	2021
Gains and losses on the sale of tangible and intangible fixed assets	0.0	0.1
Other income and expenses from business	1.4	-0.3
Total	1.5	-0.3

Other operating income includes the realised and unrealised exchange rate differences in sales and purchases as well as other various income and expenses. Operating income for the financial year 1 January–31 December 2022 includes a return of EUR 1.1 million in pension fund surplus from previous years.

9.2 Provisions

Accounting policies
A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If part of the obligation can be compensated by a third party, the compensation is entered as a separate asset, but only when it is virtually certain that the compensation will be received. Provisions are valued at the present value of the expenditure required to settle the obligation. The present value is calculated using a discount factor that has been selected to reflect current market assessments of the time value of money and the risks specific to the liability. Provision amounts are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A reorganisation is entered when the Group has prepared a detailed reorganisation plan and started its implementation or made an announcement of the matter. The reorganisation plan must contain at least the following information: the business concerned; the principal locations affected; the location, function and approximate number of employees who will be compensated for terminating their services; the expenditures that will be undertaken; and when the plan will be implemented.

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations exceed the benefits expected to be received under the contract.

A provision is entered for liabilities related to write-offs and restoration to an original state when, according to environmental legislation and the Group's environmental responsibility principles, the Group has a liability related to the writing off of a production plant, rectification of environmental damage or the transportation of equipment from one place to another.

Key estimates and discretionary solutions
Management regularly assesses the amount of expenditure recognised as a provision to ensure that it corresponds to the liabilities needed to fulfil the current obligations at the end of each reporting period. There are no provisions recognised for the financial year 1 January–31 December 2022 or the comparison period.

Elovena® Instant Oatmeal Cranberry-ginger helps you boost your immune system. The delicious berry oatmeal gets its flavour from cranberries, complemented by a warm touch of ginger. The oatmeal contains added vitamins C and D, which contribute to the normal functioning of the immune system.

Parent company financial statements (FAS)

Parent company income statement

(EUR)	Note	1 January–31 December 2022	1 January–31 December 2021
NET SALES		1,644,445.65	1,669,112.88
Other operating income			
Personnel expenses	1.	-3,476,617.51	-4,389,817.98
Depreciation and write-downs	2.	-12,875.55	-13,215.92
Other operating expenses	3.	-2,660,822.47	-1,346,385.19
PROFIT (LOSS)		-4,505,869.88	-4,080,306.21
Financial income and expenses	4.	+35,527,225.11	+16,196,688.21
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		31,021,355.23	12,116,382.00
Appropriations	5.	+4,844,199.83	+10,060,601.82
Income taxes	6.	-20,186.39	-1,623,702.03
PROFIT (LOSS) FOR THE FINANCIAL PERIOD		35,845,368.67	20,553,281.79

Parent company balance sheet

(EUR)	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Intangible assets	7.	27,672.79	35,139.09
Tangible assets	7.	365,051.21	370,460.46
Holdings in Group companies	8.	210,386,887.43	210,386,887.43
Receivables from Group companies	8.	3,500,000.00	2,500,000.00
Other investments	8.	25,498.29	944,978.29
		214,305,109.72	**214,237,465.27**
Current assets			
Receivables	9.	15,067,551.80	15,240,603.29
Securities under financial assets	10.	38,694,282.18	67,033,996.48
Cash and bank receivables		26,900,160.30	15,928,328.51
		80,661,994.28	**98,202,928.28**
TOTAL ASSETS		**294,967,104.00**	**312,440,393.55**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	11.		
Share capital		27,776,072.91	27,776,072.91
Premium fund		2,908,045.06	2,908,045.06
Reserve fund		88,586,879.98	88,586,879.98
Invested unrestricted shareholders' equity fund		20,784,370.92	20,784,370.92
Retained earnings		73,673,682.51	74,540,426.78
Profit for the financial period		35,845,368.67	20,553,281.79
		249,574,420.05	**235,149,077.44**
ACCUMULATED APPROPRIATIONS	12.	**23,158.81**	**22,358.64**
Liabilities			
Current liabilities	13.	45,369,525.14	77,268,957.47
		45,369,525.14	77,268,957.47
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**294,967,104.00**	**312,440,393.55**

Parent company cash flow statement

(EUR 1,000)	2022	2021
CASH FLOW FROM BUSINESS OPERATIONS		
Profit (loss) before appropriations and taxes	31,021	12,118
Adjustments to EBIT:		
Planned depreciations	13	13
Financial income and expenses	-35,527	-16,197
Other income and expenses not involving disbursement	1,237	36
Cash flow before change in working capital	**-3,256**	**-4,030**
Change in working capital		
Increase (-) / decrease (+) in current receivables	-1,597	+128
Increase (+) / decrease (-) in current interest-free liabilities	-274	+234
	-1,870	**362**
Cash flow from business operations before financial items and taxes	-5,126	-3,668
Interest paid and payments for financial expenses from business operations	-1,027	-394
Interest received and other financial income	849	898
Income taxes paid	-774	-1,834
CASH FLOW FROM BUSINESS OPERATIONS	**-6,077**	**-4,998**
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets		-4
Investments in group company shares		-7,584
Proceeds from the sale of securities	382	
Loans granted	-1,000	-2,500
Repayment of loan receivables		11,680
CASH FLOW FROM INVESTMENTS	**-619**	**1,592**
Cash flow after investments	-6,696	-3,405
CASH FLOW FROM FINANCIAL OPERATIONS		
Other financial items, net	-99	1,385
Dividends received from Group companies	37,061	14,483
Increase (+) / decrease (-) in current liabilities	-35,585	-1,188
Group contributions received and paid	10,062	6,455
Dividend paid and other distribution of profit	-22,110	-20,498
CASH FLOW FROM FINANCIAL OPERATIONS	**-10,672**	**637**
Change in liquid funds	-17,368	-2,768
Liquid funds at the beginning of the period	82,962	85,730
Liquid funds at the end of the period	**65,594**	**82,962**

Parent company's accounting policies

Raisio plc's financial statements have been prepared in accordance with the Finnish Accounting Act. The financial statements have been prepared for the 12-month financial year of 1 January–31 December 2022. The financial statements are presented in euros.

Foreign currency items

Foreign currency transactions are recorded using the exchange rate at the transaction date. Foreign currency receivables and liabilities outstanding at the end of the financial year are measured using the closing date exchange rates. Realised exchange rate differences and gains and losses arising from the valuation of receivables and liabilities are recorded in the income statement. Exchange rate gains and losses related to actual business operations are treated as adjustment items on sales and purchases, and those related to financing are presented under financing income and expenses.

Changes in the value of foreign currency loans are recorded in the income statement under financial income and expenses. Raisio plc does not currently have foreign currency loans.

Derivative contracts

In line with its risk management policy, the company may use derivatives to hedge against currency and interest rate risks. Currency forward contracts are used to hedge receivables and liabilities in foreign currencies as well as future commercial cash flows. Derivative contracts are initially recognised at the date of the contract at the lower of cost of acquisition or fair value in accordance with the principle of prudence. Exchange rate differences arising from them are entered through profit or loss.

Revenue recognition

The sale of a service is recognised when the service is completed or the work is done.

Pension arrangements

Statutory and voluntary pension security for the company personnel is arranged through pension insurance companies. Pension expenditure is entered as an expense in the year it is accrued. The CEO has the right and obligation to retire at the age of 62.

Leases

Payments related to leases are amortised in the income statement as an expense over the lease term.

Net sales

Net sales include income from services provided by the parent company to Group companies.

Other operating income

Profit from asset sales and other income not related to actual sales of goods and services are presented as other operating income.

Income taxes

Taxes in the company's income statement include taxes paid in the financial period, calculated on the basis of the taxable profit, and taxes paid in previous financial periods. The financial statements show accumulated appropriations in full on the balance sheet, and the included tax liability is not treated as debt. Deferred taxes are not recorded.

Valuation of non-current assets

Tangible and intangible assets are entered in the balance sheet at their acquisition cost, less planned depreciation. Planned depreciation is calculated using the straight line depreciation method, based on the useful life of tangible and intangible assets. Depreciation is made from the month of introduction of the asset.

The depreciation periods are as follows:

- buildings and structures 10–25 years
- machinery and equipment 4–10 years
- intangible rights 5–10 years
- other long-term expenses 5–20 years.

The acquisition costs of non-current assets whose probable useful life is less than three years, as well as small purchases (below EUR 1,200), are recorded as an expense in their entirety.

Sales profits and losses are determined by comparing the sales profit to the carrying amount. Sales profits and losses are included in the income statement under other operating income and expenses.

Shares and investments in subsidiaries in the company's fixed asset investments are valued at the lower of acquisition cost or fair value.

Valuation of receivables and liabilities

Receivables are measured at the lower of acquisition cost or probable value. Liabilities are measured at their nominal value.

Provisions

Provisions are entered when the company has a legal or constructive obligation following an event, the realisation of the obligation is likely and the amount of the obligation can be reliably estimated. If part of the obligation can be compensated by a third party, the compensation is entered as a separate asset, but only when it is virtually certain that the compensation will be received.

A reorganisation is entered when the company has prepared a detailed reorganisation plan and started its implementation or made an announcement of the matter.

Management of financial risks and instruments

The parent company's financial risks do not differ materially from the Group's financial risks, see Chapter 5 'Financial items and risk management' of the consolidated financial statements.

Liquid funds

Cash and bank receivables include money in bank accounts.

Share-based payments

On 31 December 2022, Raisio plc had four valid share-based incentive schemes aimed at the Group management and designated key persons and approved by Raisio plc's Board of Directors: scheme 2020–2022, scheme 2021–2023, scheme 2022–2024 and scheme 2023–2025.

The earnings period of each share-based incentive scheme is three years. For each earnings period, Raisio plc's Board of Directors decides on the earnings criteria, the target group and the maximum amount of the share reward per participant. The amount of the reward and the number of Raisio plc's free shares to be transferred based on the achievement of the earnings criteria of the scheme are determined by the Board of Directors at the beginning of the year following the end of the earnings period.

In all schemes, the potential reward for each earnings period is based on the company's Total Shareholder Return (TSR). In addition to this, the payment of the reward is conditional on the achievement of the Group's cumulative profit target (EBIT) in the corresponding period. Possible rewards are paid partly in the company's free shares and partly in cash. The cash payment is made to cover the key employee's taxes and fiscal fees arising from the reward. If the employment or service of the person ends before the reward payment, the reward is generally not paid.

Dividends payable

The dividends paid by the company are recorded in the financial period during which the shareholders have approved the dividend payment.

Appropriations

The appropriations consist of received and paid Group contributions and the change in the depreciation difference.

Borrowing costs

Borrowing costs are entered as an expense in the period in which they are incurred.

Company shares

The acquisition of company shares and related costs are presented in the company's financial statements as a deduction from retained earnings. The conveyance of company shares is presented as an addition to retained earnings, except for the company shares issued in a directed share issue. The subscription price of these shares is entered in the invested unrestricted equity fund and their acquisition cost is still presented in retained earnings.

Cash flow statement

Cash flows for the financial period are categorised into cash flows from business operations, investments and financing. The cash flow statement is prepared using the indirect method.

Notes to the parent company income statement

1. Personnel expenses

WAGES AND SOCIAL SECURITY EXPENSES

(EUR)	2022	2021
Wages and fees	2,839,844.64	3,644,559.92
Pension expenses	525,393.36	634,919.14
Other social security expenses	111,389.51	110,338.92
Total	**3,476,627.51**	**4,389,817.98**

WAGES AND FEES PAID TO MANAGEMENT

(EUR)	2022	2021
Payment criteria		
CEO	782,136.01	662,414.28
Members of the Board of Directors	252,400.00	242,200.00
Members of the Supervisory Board	43,850.00	47,700.00
Total	**1,078,386.01**	**952,314.28**

AVERAGE NUMBER OF PARENT COMPANY PERSONNEL

	2022	2021
Office workers	30	30

Related party liabilities
Pension liability for members of the Board of Directors and CEO. The parent company's CEO has the right and obligation to retire at the age of 62.

2. Depreciation and write-downs

(EUR)	2022	2021
Planned depreciations	12,875.55	13,215.92

3. Other operating expenses

(EUR)	2022	2021
KPMG Oy Ab		
Audit	62,198.72	90,271.05
Tax consultation	0.00	1,810.40
Other services	4,058.00	11,657.00
Total	**66,256.72**	**103,738.45**
Ernst & Young Oy		
Audit	62,927.00	
Total	**62,927.00**	

(EUR)	2022	2021
Loss on sale of shares	537,980.00	

4. Financial income and expenses

(EUR)	2022	2021
Dividend received		
From Group companies	37,060,850.67	14,483,316.75
Total	**37,060,850.67**	**14,483,316.75**
Total income from long-term investment	37,060,850.67	14,483,316.75
Other interest and financial income		
From Group companies	314,210.27	121,943.73
From others	659,192.61	1,659,114.28
Total other interest and financial income	**973,402.88**	**1,781,058.01**
Total financial income	**38,034,253.55**	**16,264,374.76**
Exchange rate differences		
To Group companies	-1,177,231.12	1,342,926.27
Other	1,002,224.39	-1,013,940.59
Total exchange rate differences	**-175,006.73**	**328,985.68**
Interest paid and other financial expenses		
To Group companies	-232,200.19	-11,450.66
To others	-2,099,821.52	-385,221.57
Total interest paid and other financial expenses	**-2,332,021.71**	**-396,672.23**
Total financial expenses	**-2,507,028.44**	**-67,686.55**
Total financial income and expenses	**35,527,225.11**	**16,196,688.21**

5. Appropriations

(EUR)	2022	2021
Difference between planned depreciations and depreciations made in taxation	-800.17	-1,398.18
Group contributions paid	-5,110,000.00	-4,100,000.00
Group contributions received	9,955,000.00	14,162,000.00
Total	**4,844,199.83**	**10,060,601.82**

6. Income taxes

(EUR)	2022	2021
Income taxes on appropriations	-962,000.00	-2,012,400.00
Income taxes on ordinary operations	941,985.68	400,767.03
Taxes from previous financial years	-172.07	-12,069.06
Total	**-20,186.39**	**-1,623,702.03**

Notes to the parent company balance sheet

7. Intangible assets 2022

(EUR)	Intangible rights	Other long-term expenses	Intangible assets total
Acquisition cost 1 January	184,923.98	24,512.64	209,436.62
Increase 1 January–31 December	0.00		0.00
Acquisition cost 31 December	**184,923.98**	**24,512.64**	**209,436.62**
Accumulated depreciation and write-downs 1 January	149,784.89	24,512.64	174,297.53
Depreciation for the financial period	7,466.30		7,466.30
Accumulated depreciation 31 December	**157,251.19**	**24,512.64**	**181,763.83**
Book value 31 December 2022	27,672.79	0.00	27,672.79
Book value 31 December 2021	35,139.09	0.00	35,139.09

7. Tangible assets 2022

(EUR)	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost 1 January	91,000.00	749,818.82	44,271.23	260,527.76	1,145,617.81
Increase 1 January–31 December					0.00
Acquisition cost 31 December	**91,000.00**	**749,818.82**	**44,271.23**	**260,527.76**	**1,145,617.81**
Accumulated depreciation and write-downs 1 January	0.00	730,886.12	44,271.23	0.00	775,157.35
Depreciation for the financial period		5,409.25			5,409.25
Accumulated depreciation 31 December	**0.00**	**736,295.37**	**44,271.23**	**0.00**	**780,566.60**
Book value 31 December 2022	91,000.00	13,523.45	0.00	260,527.76	365,051.21
Book value 31 December 2021	91,000.00	18,932.70	0.00	260,527.76	370,460.46
Book value of the production machinery and equipment					
31 December 2022			0.00		
31 December 2021			0.00		

8. Investments 2022

(EUR)	Group company shares	Other shares	Total investments
Acquisition cost 1 January	210,386,887.43	944,978.29	211,331,865.72
Decrease 1 January–31 December		919,480.00	919,480.00
Acquisition cost 31 December	**210,386,887.43**	**25,498.29**	**210,412,385.72**
Book value 31 December 2022	210,386,887.43	25,498.29	210,412,385.72
Book value 31 December 2021	210,386,887.43	944,978.29	211,331,865.72

SHARES AND HOLDINGS 2022

	Group holding %	Parent company holding %
Group companies		
Raisionkaari Industrial Park Ltd, Raisio	100.00	50.00
Raisio UK Limited, UK	100.00	100.00
Raisio Nutrition Ltd, Raisio	100.00	100.00
Raisioaqua Ltd, Raisio	100.00	100.00
Nordic Feed Innovations Oy, Turku	100.00	100.00
Verso Food Oy, Kauhava	100.00	100.00

9. Receivables

(EUR)	2022	2021
Long-term receivables		
Receivables from Group companies		
Loan receivables	3,500,000.00	2,500,000.00
Total long-term receivables	**3,500,000.00**	**2,500,000.00**
Current receivables		
Accounts receivable	2,722.63	
Receivables from Group companies		
Accounts receivable	29,956.55	36,141.87
Loan receivables, cash pool	3,992,022.49	920,701.84
Other receivables	9,980,224.00	14,187,446.37
Accrued income	24,509.01	12,542.47
	14,026,712.05	**15,156,832.55**
Other receivables	31,424.92	8,890.98
Accrued income	1,006,692.20	74,879.76
Total current receivables	**15,067,551.80**	**15,240,603.29**
Total receivables	**18,567,551.80**	**17,740,603.29**

Accrued income includes items related to the timing of operating income and expenses and financial items.

10. Securities under financial assets

(EUR)	2022	2021
Market value	38,694,282.18	67,894,093.29
Book value	38,694,282.18	67,033,996.48
Difference	**0.00**	**860,096.81**

11. Shareholders' equity

(EUR)	2022	2021
Restricted shareholders' equity		
Share capital 1 January	27,776,072.91	27,776,072.91
Share capital 31 December	27,776,072.91	27,776,072.91
Premium fund 1 January	2,908,045.06	2,908,045.06
Premium fund 31 December	2,908,045.06	2,908,045.06
Reserve fund 1 January	88,586,879.98	88,586,879.98
Reserve fund 31 December	88,586,879.98	88,586,879.98
Total restricted shareholders' equity	**119,270,997.95**	**119,270,997.95**
Unrestricted shareholders' equity		
Invested unrestricted shareholders' equity fund 1 January	20,784,370.92	18,661,145.47
Disposal of company shares		2,123,225.45
Invested unrestricted shareholders' equity fund 31 December	20,784,370.92	20,784,370.92
Retained earnings 1 January	95,093,708.57	93,209,609.22
Dividend distributed	-22,217,418.58	-20,597,965.57
Unclaimed dividends	98,302.01	106,014.66
Disposal of company shares		1,786,774.55
Disposal of company shares	699,090.51	35,993.92
Retained earnings 31 December	73,673,682.51	74,540,426.78
Result for the period	35,845,368.67	20,553,281.79
Total unrestricted shareholders' equity	**130,303,422.10**	**115,878,079.49**
Total shareholders' equity	**249,574,420.05**	**235,149,077.44**
Distributable equity	**130,303,422.10**	**115,878,079.49**

PARENT COMPANY SHARE CAPITAL

	2022		2021	
	shares	EUR 1,000	shares	EUR 1,000
Restricted shares (20 votes/share)	30,701,070	5,332	30,960,624	5,207
Free shares (1 vote/share)	129,235,264	22,444	134,188,406	22,569
Total	**159,936,334**	**27,776**	**165,149,030**	**27,776**

COMPANY SHARES HELD BY PARENT COMPANY

	2022		2021	
	shares	EUR 1,000	shares	EUR 1,000
Restricted shares (20 votes/share)			212,696	416
Free shares (1 vote/share)	1,223,722	2,851	6,480,341	34,639
Total	**1,223,722**	**2,851**	**6,693,037**	**35,056**

The probable transfer price of company shares held by the company on the date of the financial statements was EUR 3,047 thousand (EUR 22,564 thousand in 2021).

12. Accumulated appropriations

The accumulated appropriations consist of the accumulated depreciation difference.

LIABILITIES

13. Current liabilities

(EUR)	2022	2021
Accounts payable	409,623.05	129,148.68
Liabilities to Group companies		
Accounts payable	4,846.94	8,033.63
Other liabilities	5,112,329.38	4,102,329.38
Other interest-bearing liabilities, cash pool	38,597,451.10	71,111,518.96
	43,714,627.42	**75,221,881.97**
Other liabilities	666,867.12	754,467.27
Accrued liabilities	578,407.55	1,163,459.56
Total current liabilities	**45,369,525.14**	**77,268,957.48**
Interest-fee debts	**6,772,074.04**	**6,157,438.52**

Accrued liabilities include accrued business expenses, financial items and taxes.

Other notes to the parent company accounts

Off-balance sheet guarantees, contingent liabilities and other liabilities

(EUR)	2022	2021
Leasing liabilities		
Amounts outstanding on leasing contracts		
Payable in the current financial year	63,051.37	56,529.39
Payable at a later date	38,840.36	55,069.69
Total	**101,891.73**	**111,599.08**
Contingent liabilities for Group companies		
Guarantees	23,052,192.00	20,872,006.00
Total	**23,052,192.00**	**20,872,006.00**

Leasing contracts do not include substantial liabilities related to termination and redemption terms.

Derivative contracts

The company uses derivative contracts for hedging. The values of the underlying instruments for derivative contracts, stated above, indicate the scope of the hedging measures. The fair values of derivative contracts show the result had the derivative position been closed at market price on the closing day.

The value of the underlying instrument is the sum of open forward and option contracts converted into euros at the exchange rate of the closing day.

(EUR)	2022	2021
Currency options:		
Fair value	82,816.00	10,080.00
Value of underlying instruments	8,132,828.00	11,464,274.00
Currency forward contracts:		
Fair value	275,216.38	1,103.15
Value of underlying instruments	35,639,350.00	33,056,578.00
Interest rate swaps:		
Fair value	998,788.78	-97,353.37
Value of underlying instruments	14,529,689	15,531,000

Other liabilities

Long-term incentive scheme

The company is committed to a long-term incentive scheme. The purpose of the scheme is to support the achievement of the company's long-term objectives, serve as a share-based incentive scheme for the company's senior management and commit the participants to work persistently for the company's success.

On 16 March 2022, Raisio plc's Board of Directors approved the rewards to be paid under the 2019–2021 share reward scheme and the transfer of the part paid in shares to key employees. On 4 April 2022, Raisio plc issued a total of 95,952 free shares (RAIVV) held by the company to the parent company's key employees within the share reward scheme.

Share-based schemes

SHARE-BASED INCENTIVE SCHEME

(EUR million)	2019–2021	2020–2022	2021–2023	2022–2024	2023–2025
Original number of shares	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Original grant date	4 January 2019	21 January 2020	18 January 2021	28 January 2022	
Exercise date	4 April 2022	30 April 2023	30 April 2024	30 April 2025	30 April 2026
Vesting period, years	3.3	3.3	3.3	3.3	3.3
Remaining vesting period, years		0.3	1.3	2.3	3.3
Number of persons at the end of the period		19	25	26	
Payment method	shares and cash	shares and cash	shares and cash	shares and cash	shares and cash

Changes in 2022	2019–2021 number of shares	2020–2022 number of shares	2021–2023 number of shares	2022–2024 number of shares	2023-2025 number of shares
1 January 2022					
Number of shares at the beginning of the reporting period	485,000	535,000	770,000		
31 December 2022					
Number of shares at the end of the reporting period		535,000	755,000	765,000	

Board's proposal for the disposal of profit

Shareholders' equity according to the balance at 31 December 2022 is EUR 130,303,422.10.

The Board of Directors propose that a dividend of EUR 0.14 per share, of which EUR 0.06 per share as an extra dividend, be paid from the parent company's earnings,

totalling	22,391,086.76 eur
carried over on the retained earnings accounts	107,912,335.34 eur

No dividends will be paid on the shares held by the company on the record date 24 April 2023. The payment date of the dividend is proposed to be 3 May 2023.

There has not been any essential changes in the Group's financial condition since the end of the financial period. The Group's liquidity is good and the payment of the proposed dividend does not, in our opinion, endanger the company's liquidity.

Raisio, 7 February 2023

Arto Tiitinen
Erkki Haavisto

Leena Niemistö
Ann-Christine Sundell

Pekka Tennilä

Pekka Kuusniemi
CEO

A report on the performed audit has been issued today.

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

Minna Viinikkala
Authorized Public Accountant

Auditor's Report

To the Annual General Meeting of Raisio plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raisio Oyj (business identity code 0664032-4) for the year ended 31 December, 2022. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8.3 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Valuation of goodwill and intangible assets (trademarks) with indefinite useful lives

We refer to the Group's accounting policies and the notes 4.1, 4.2 and 4.4

At the balance sheet date the value of goodwill amounted to 47,0 million euro and trademarks with indefinite useful lives amounted to 28,6 million euro representing 23% of total assets and 29% of equity (2021: 79,7 million euro, 22% of total assets and 28% of equity).

Goodwill and trademarks with indefinite useful lives are tested for impairment annually or if there is any indication of impairment. The recoverable amount of cash generating units is based on value in use calculations, the outcome of which could vary significantly if different assumptions were applied. There are a number of assumptions used to determine the value in use of the cash generating units, including revenue growth, margin and the discount rate applied. Changes in the above-mentioned assumptions may result in an impairment of goodwill.

The annual impairment test is a key audit matter because

- The assessment process is complex and is based on estimates;
- It is based on assumptions relating to market or economic conditions; and
- Of the significance of the goodwill and trademarks with indefinite useful lives to the balance sheet total.

This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).

Our audit procedures to address the risk of material misstatement in respect of valuation of goodwill and intangible assets (trademarks) with indefinite useful lives included, among others, the following audit procedures:

- We involved our valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group, specifically focusing to those relating to the forecast growth, margin and discount rate used.
- We assessed the sensitivity analyses and whether any reasonably possible changes in key assumptions could cause the carrying value of the cash generating unit to exceed its recoverable amount.
- We assessed the accuracy of the impairment testing calculations.
- We evaluated the appropriateness of the Group's disclosures in respect of goodwill and trademarks with indefinite useful lives

Revenue Recognition

VWe refer to the Group's accounting policies and the note 2.2

Revenues from the sale of goods are recorded when the customer has gained the ownership and when risks and benefits related to the ownership have been transferred to the purchaser whereby control is deemed to have passed to the customer.

The Group focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized too early.

Revenue recognition was key audit matter due to risk related to correct timing of revenue. This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).

Our audit procedures to address the risk of material misstatement in respect of revenue recognition included among others:

- We assessed the compliance of the Group's accounting policies over revenue recognition with applicable accounting standards.
- We familiarized ourselves with the Group's processes and controls over timing of revenue recognition and over the calculation of discounts and credits.
- We tested the correct timing of revenue by using analytical procedures and transaction level testing. Our procedures included data analytics and transaction level testing before and after the balance sheet date.
- We evaluated the appropriateness of the Group's disclosures in respect of revenues.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of inventory *We refer to the Group's accounting policies and the note 4.8*	
At the balance sheet date, the value of inventory amounted to 42,8 million euro. The valuation of inventories requires assessment by management in determining write-offs and in allocating fixed production overheads to production costs. The valuation of the inventory was a key audit matter as the amount of inventory in the financial statements is material and imposes management judgement.	We performed, among others, the following audit procedures: • We assessed the Group's accounting principles related to the valuation of inventories against applicable accounting standards. • We assessed by using analytical procedures and testing on a sample basis the underlying analyses and calculations prepared by the management relating to the costing of finished and semi-finished goods and determining the net realizable value. We familiarized ourselves regarding the relevant controls and processes. • We evaluated the appropriateness of the Group's disclosures in respect of balance sheet values and the accounting principles concerning the valuation of inventories.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditor’s report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 12.4.2022.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor’s report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 7 February 2023

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta	Minna Viinikkala
Authorized Public Accountant	Authorized Public Accountant

Statement of the Supervisory Board

At its meeting today, the Supervisory Board studied the financial statement, the consolidated financial statement and auditors' report for the financial period 1 January–31 December 2022.

The Supervisory Board gives its assent to the approval of the financial statements and the consolidated financial statements and concurs with the Board of Directors' proposal for the allocation of profits.

Raisio, 9 February 2023

For the Supervisory Board

Paavo Myllymäki
Chairman

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