



Interim Report January-March 2023

Raisio plc



Strong recovery in profitability in challenging conditions

FINANCIAL DEVELOPMENT IN BRIEF

January–March 2023, continuing operations

- The Group's net sales totalled EUR 56.5 (53.2) million, which signified a growth of 6.1%.
- Comparable EBITDA was EUR 6.7 (3.9) million, which accounted for 11.9 (7.4) per cent of net sales.
- EBITDA was EUR 6.5* (3.9) million, which accounted for 11.5 (7.4) per cent of net sales.
- Comparable EBIT was EUR 4.2 (1.5) million, which accounting for 7.5 (2.7) per cent of net sales.
- EBIT was EUR 4.0* (1.5) million, which accounted for 7.1 (2.7) per cent of net sales.
- The Healthy Food Segment's net sales totalled EUR 37.0 (35.6) million. EBIT was EUR 3.3 (2.7) million, which accounted for 9.0 (7.6) per cent of net sales.
- The Healthy Ingredients Segment's net sales totalled EUR 28.6 (27.6) million. Comparable EBIT was EUR 1.8 (0.0) million, accounting for 6.4 (0.1) per cent of net sales. EBIT was EUR 1.8 (0.0) million, which accounted for 6.4 (0.1) per cent of net sales.
- The Group's cash flow from continuing operations after financial items and taxes totalled EUR 3.3 (-1.2) million.
- The comparable return on invested capital (ROIC) was 6.4 (-0.1) per cent and the return on invested capital (ROIC) was 6.0 (-0.1) per cent.
- The overall effect of currency conversions was EUR -0.9 (0.6) million on net sales, EUR -0.1 (0.1) million on the comparable EBIT and EUR -0.1 (0.1) million on EBIT.

**EBITDA and EBIT include EUR 0.2 million in costs related to business expansion.*

OUTLOOK 2023

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

Key figures of the Group, continuing operations

		1–3/2023	1–3/2022	1–12/2022
Net sales	M€	56.5	53.2	220.8
Change in net sales	%	6.1	16.9	10.4
Comparable EBITDA	M€	6.7	3.9	28.3
Comparable EBITDA of net sales	%	11.9	7.4	12.8
EBITDA	M€	6.5	3.9	27.8
Comparable EBITDA of net sales	%	11.5	7.4	12.6
Comparable EBIT	M€	4.2	1.5	18.4
Comparable EBIT of net sales	%	7.5	2.7	8.3
EBIT	M€	4.0	1.5	17.9
EBIT of net sales	%	7.1	2.7	8.1
Comparable earnings/share	€	0.02	0.00	0.08
Earnings/share	€	0.02	0.00	0.08

Currency conversion impacts on net sales and EBIT

		1–3/2023	1–3/2022	1–12/2022
Net sales	M€	-0.9	0.6	1.2
Comparable EBIT	M€	-0.1	0.1	0.2
EBIT	M€	-0.1	0.1	0.2

CEO PEKKA KUUSNIEMI:

Exceptional times in the food chain continue. The strong turbulence in raw material prices that started as a result of Russia's war of aggression continues, with grain prices fluctuating significantly and other production costs continuing to rise. During the first quarter, the sharp rise in prices led to changes in consumers' purchasing habits, and volumes have fallen across the board. The inflationary shock has been exceptionally severe. With food purchases, consumers have control over the quantity of products they buy, unlike many other purchases that generate direct costs. This has been clearly reflected in all our markets.

Despite the market turmoil, Raisio's net sales increased by 6.1 per cent to EUR 56.5 (53.2) million. Volumes fell across the board. However, what is most important is that we were able to maintain our market share in terms of value in key categories, and in some categories we were even able to increase our share. Our comparable EBIT increased from the exceptional comparison period, reaching EUR 4.2 (1.5) million and 7.1 (2.7) per cent of net sales. The euro conversion of our trading currencies had a negative impact on both net sales and EBIT compared to the comparison period.

In a turbulent market, new products seem to gain even more importance, and Raisio's fast pace of product development is paying off. Many new oat-based products were launched during the review period, and their excellent reception in the market is encouraging. Our investments in sales and marketing increased clearly from the comparison period. As a company focused on healthy plant-based foods, our future is

strongly innovation-driven, and in March we appointed a Chief Innovation Officer with a strong track record.

The sale of Raisioaqua, launched at the beginning of last summer, was completed at the end of February after a lengthy process. I am pleased with the outcome: the company found an owner focused on the fish farming business, the committed personnel were transferred to the new owner as old employees and industrial activity will continue at Raisio Industrial Park. The continuation of the operations is also important for Finland's security of supply, as the fish feed factory is the only one of its kind in Finland.

The exceptional period in the food system that started in autumn 2021 is still ongoing. Strong brands, innovative new products and planned but agile operations are key success factors for Raisio in these exceptional circumstances. A resilient balance sheet and the ability to invest and pursue potential acquisitions are strong competitive factors in the current operating environment. A heartfelt thank you to Raisio's employees for their good work this spring!

STRATEGY PERIOD 2022–2025

Raisio's operating environment changed significantly in 2022 after 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 total net sales. Their combined net sales for the review period amounted to EUR 44.7 (42.5) million, while the Group's net sales totalled EUR 56.5 (53.2) million.

Net sales for strategic areas of focus

		1–3/2023	1–3/2022	1–12/2022
Net sales	M€	44.7	42.5	171.8
Benecol® and plant stanol ester solutions	M€	27.8	28.4	113.8
Value-added oat products and ingredients	M€	15.1	12.3	51.4
Plant proteins	M€	1.7	1.8	6.6

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.

FINANCIAL REPORTING

Raisio Group's reportable operating segments are Healthy Food, Healthy Ingredients and Other Operations. The reported figures are comparable. The comparison figures in brackets refer to the corresponding period a year earlier unless otherwise stated. The Healthy Food Segment focuses on the consumer brands with Europe as its main market area. The Healthy Food Segment signifies a reporting segment which consists of Northern Europe, Eastern and Central Europe and Western Europe. The Healthy Ingredients Segment includes the sale of the Benecol product ingredient, 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, were classified in the reporting for the second quarter of 2022 as assets being held for sale and reported as discontinued operations. On 28 February 2023, Raisio announced that it had sold its fish feed business, transferring Raisioaqua Ltd, a fish feed subsidiary wholly owned by Raisio plc, to a subsidiary of Finnforel Oy on 27 February 2023. The comparable figures of the 1 January–31 March 2022 period have been changed accordingly.

OPERATING ENVIRONMENT

The underlying change in the economy and markets has become clearly visible over the past two years. 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 affecting consumer spending habits. Food consumption is changing over the longer term, and the rapid rise in food prices is also affecting households' purchasing behaviour. Eating at home is increasing. Consumers are paying 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 in the longer term.

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.

FINANCIAL DEVELOPMENT

January–March, continuing operations

Raisio Group's net sales totalled EUR 56.5 (53.2) million. The Group's net sales increased clearly from the comparison period. The Healthy Food Segment's net sales totalled EUR 37.0 (35.6) million and the Healthy Ingredients Segment's net sales were EUR 28.6 (27.6) million. Net sales clearly exceeded those of the comparison period, even though the volumes of certain brands declined in comparison to the strong and quite exceptional comparison period. During the review period, the value of sales to Finnish bakeries and industrial and catering customers increased dramatically. The top brands at the core of Raisio's strategy performed well in different markets, with the total net sales of the Elovena® brand in particular growing significantly, reaching a level over 30% higher than in the comparison period. The good sales value was boosted by new products from the Raisio and Kauhava factories, with as many as 12 product launches during the review period. Price increases implemented in the previous financial year due to strong cost inflation increased net sales in this quarter.

During the first quarter, high inflation has eroded consumers' real purchasing power, as seen in lower retail sales figures in Europe and increased price consciousness among consumers. Despite relatively strong cost pressures and differences between product categories during the review period, the strong brands at the heart of Raisio's strategy showed their strength in the face of the constant changes in buying behaviour. Benecol and Härkis® faced volume challenges compared to the comparison period but performed well in their respective categories.

Raisio Group's comparable EBIT was EUR 4.2 (1.5) million, which accounted for 7.5 (2.7) per cent of net sales. EBIT was EUR 4.0 (1.5) million, which accounted for 7.1 (2.7) per cent of net sales. Profitability improved significantly compared to the historically difficult comparison period. During the review period, grain prices fell in both Europe and Finland. The good quality of the Finnish grain used by Raisio contributed to production efficiency and yield, easing cost pressures and restoring relative profitability. Cost increases in the supply and food chain accumulate slowly, due to factors such as long supply contracts. The fall in grain purchase prices in Finland during the review period will affect Raisio with a delay, and the cost level will therefore remain higher than usual for a longer period. For other elements of production, such as packaging and logistics, some of these cost and availability challenges also still persist. Price increases implemented in the previous financial year due to strong cost inflation improved profitability in this quarter. Comparable EBIT was also burdened by dynamic marketing investments made as planned.

The conversion impact on the Group's net sales was EUR -0.9 (0.6) million. The British pound accounted for EUR -0.7 (0.6) million and other currencies for EUR -0.2 (0.0) million.

The conversion impact on the Group's comparable EBIT and EBIT was EUR -0.1 (0.1) million. The British pound accounted for EUR -0.1 (0.1) million and other currencies for EUR 0.0 (0.0) 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.

The depreciations and impairments totalled EUR 2.5 (2.5) million. The Group's net financial items were EUR 0.4 (-1.3) million. The net financial items in the interim report included a fair value change of EUR 0.3 (-1.2) million for financial assets recognised at fair value through profit or loss. The Group's pre-tax result was EUR 4.4 (0.2) million. The Group's post-tax result was EUR 3.5 (0.0) million. The Group's earnings per share were EUR 0.02 (0.00) and the comparable figure was EUR 0.02 (0.00).

BALANCE SHEET, CASH FLOW AND FINANCING

At the end of March, the Raisio Group's balance sheet totalled EUR 330.7 (31 December 2022: 331.9) million. Shareholders' equity was EUR 266.5 (31 December 2022: 262.9) million. Equity per share totalled EUR 1.69 (31 December 2022: 1.66). Changes in equity are described in detail in the Table section below.

The Group's cash flow from continuing operations after financial items and taxes totalled EUR 3.3 (-1.2) million. In addition to the decrease in the operating result, the cash flow for the comparison period was negatively affected by the increase in working capital during the reporting period.

At the end of March, working capital from continuing operations amounted to EUR 47.6 (31 December 2022: 44.0) million.

The Group's interest-bearing debt at the end of March was EUR 26.4 (31 December 2022: 27.0) million. Net interest-bearing debt was EUR -50.1 (31 December 2022: -41.2) million.

At the end of March, Raisio's financial assets recognised at fair value through profit or loss, as well as cash and cash equivalents, totalled EUR 76.6 (31 December 2022: 68.1) million. Cash reserves are primarily invested in low-risk, liquid investment objects.

At the end of March, the Group's equity ratio totalled 80.6 (31 December 2022: 79.2) per cent and net gearing was -18.8 (31 December 2022: -15.7) per cent. The return on invested capital (ROIC) for continuing operations was 6.0 (31 December 2022: 5.5) per cent and the comparable return on invested capital (ROIC) was 6.4 (31 December 2022: 5.6) per cent.

Key figures for the balance sheet and financing

		31 March 2023	31 March 2022	31 December 2022
Cash flow from business operations after financial items and taxes	M€	3.3	-1.2	11.2
Equity ratio	%	80.6	78.4	79.2
Net gearing	%	-18.8	-18.8	-15.7
Net interest-bearing debt	M€	-50.1	-51.6	-41.2
Equity per share	€	1.69	1.73	1.66
Investments	M€	1.4	1.5	5.2
Comparable return on invested capital (ROIC)	%	6.4	-0.1	5.6
Return on invested capital (ROIC)	%	6.0	-0.1	5.5

INVESTMENTS

The January–March investments totalled EUR 1.4 (1.5) million, or 2.4 (2.8) per cent of net sales.

In keeping with our strategy, we will continue with investments to enable 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. The replacement investment will be completed in summer 2023 and

will amount to approximately EUR 4.1 million. The investment facilitates a better collective use of different ingredients and new commercial product applications. At the end of the financial year 2022, the Kauhava plant completed a manufacturing and packaging investment for more extensive processing of plant proteins. The first product range made possible by this investment, Härkis® Oat Mince, was launched at the beginning of the reporting period.

The investment in the Nokia mill at the end of 2022 to increase the production capacity of value-added oat products was completed on schedule and is fully operational. The investment totalled approximately EUR 0.5 million.

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.

PERSONNEL

The Raisio Group's continuing operations employed 343 (339) people at the end of March. The Healthy Food Segment employed 108 (119) people, Healthy Ingredients 185 (178) and Other Operations 46 (46). Of the personnel in continuing operations, 14.3 (13.9) per cent worked in Raisio's operations abroad.

RESEARCH AND DEVELOPMENT

Raisio's research and development expenses in January–March totalled EUR 0.8 (0.7) million, or 1.3 (1.4) per cent of net sales.

At the start of the year, Elovena® was ranked third on the Sustainable Brand Index list, which reflects Finnish views on brand responsibility. The results published in March 2023 showed that Raisio has been engaged in successful and systematic responsibility work for years already. Responsibility work continues, and early in the year Raisio started the process of replacing the wrapping of Elovena snack biscuits with a material suitable for cardboard recycling. The new packaging will reduce the amount of plastic Raisio uses. Of the new products launched during the first quarter, the Härkis Oat Mince product family and Elovena puddings both performed excellently in their respective product categories throughout the reporting period.

In keeping with Raisio's strategic goals, our research and product development investments are focused on achieving even better capabilities and properties in selected consumer brands, particularly as concerns gluten-free oats as raw material, plant proteins and the ongoing product and application developments of Benecol® products. These rising costs are to be covered mainly by measures to increase efficiency in production, procurement and support functions. At the same time, product launches at both the new Raisio plant and the Kauhava factory will support profitability by increasing the utilisation rates of the factories in the longer term.

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 in January–March, continuing operations

The Healthy Food Segment's net sales totalled EUR 37.0 (35.6) million. Net sales increased significantly in Northern Europe, while in Western, Eastern and Central Europe they remained at the level of the comparison period. Net sales exceeded those of the comparison period, even though the volumes of many brands decreased in comparison to the level of the strong comparison period. The top brands in the focus of Raisio's strategy succeeded brilliantly in the different markets, with particularly significant growth in net sales due to the new product launches of the Elovena brand. During the reporting period, high inflation has eroded consumers' real purchasing power, as seen in lower retail sales figures in Europe and increased price sensitivity among consumers. Price increases in consumer products implemented in the previous financial year due to strong cost inflation increased net sales in this quarter. Despite the continuing pervasive cost pressures seen during the reporting period, Raisio's strong brands have demonstrated their ability to remain a permanent and central part of consumers' daily lives in the different prevailing circumstances.

Altogether, approximately 51 per cent of the Healthy Food Segment's net sales were generated in Northern Europe, where Raisio's well-known brands are Elovena®, Benecol®, Härkis®, Sunnuntai®, Nalle® and Torino®. Around 42 per cent of net sales were generated from the sale of Benecol products in the Western European markets. Approximately 7 per cent of the net sales were generated in Eastern and Central Europe, where Benecol and Elovena are among Raisio's well-known brands.

The Healthy Food Segment's comparable EBIT amounted to EUR 3.3 (2.7) million, which accounted for 9.0 (7.6) per cent of net sales. The Healthy Food Segment's EBIT amounted to EUR 3.3 (2.7) million, which accounted for 9.0 (7.6) per cent of net sales. Price increases implemented in the previous financial year due to strong cost inflation improved profitability in this quarter. Although the prices of grain raw materials important to Raisio fell during the review period, inflationary price pressures continue to exist and cost levels will therefore remain higher than usual for a longer period of time. Comparable EBIT was also burdened by dynamic marketing investments made as planned.

The currency conversion impact on the Healthy Food Segment's net sales was EUR -0.9 (0.6) million and EUR -0.1 (0.1) million on comparable EBIT and EBIT.

Key figures for the Healthy Food Segment

		1–3/2023	1–3/2022	1–12/2022
Net sales	M€	37.0	35.6	143.0
Western Europe	M€	15.4	16.0	64.1
Northern Europe	M€	18.9	16.9	67.9
Eastern and Central Europe	M€	2.7	2.7	11.0
Comparable EBIT	M€	3.3	2.7	18.0
Comparable EBIT	%	9.0	7.6	12.6
EBIT	M€	3.3	2.7	18.0
EBIT	%	9.0	7.6	12.6
Net assets	M€	84.8	88.2	83.9

Business operations, January–March

Western Europe

Net sales for the Western European operations amounted to EUR 15.4 (16.0) million. EBIT remained at the level of the comparison period.

Net sales for the Benecol business in the UK clearly declined from the level of the comparison period. EBIT remained at the level of the comparison period. Of the product categories, spreads saw growth throughout the period, while Benecol yoghurt drinks saw a decline in net sales compared to the comparison period. The long-term work carried out in the UK market to increase the Benecol's brand recognition resulted in a high number of households purchasing Benecol products and high sales volumes among existing customers during the review period. In the UK, the continued high inflation had a very negative impact on consumer purchasing power and retail sales figures during the review period, but both the net sales and profitability of Raisio's business remained at a good level compared to the high figures of the comparison period. A 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 three years. In the UK, approximately one quarter of the net sales for Benecol products were already generated through online sales. The market is also seeing high sales growth in the discounter channel, driven by high inflation.

In Ireland, both net sales and EBIT increased significantly compared to the comparison period. Marketing investments made in the development of the distribution network over the past two years have been successful and Benecol products have acquired new consumers within these markets. Successful market investments also helped sales volumes remain at a good level in Ireland throughout the review period. Net sales and EBIT in Belgium declined in relation to the comparison period. During the financial year, the higher production costs were successfully passed on to sales prices in Ireland and Belgium.

Northern Europe

Net sales for the Northern European operations amounted to EUR 18.9 (16.9) million. EBIT increased significantly from the comparison period. Despite the high comparison figures, among Raisio's strong brands Elovena in particular performed excellently in the market throughout the reporting period. The growth in the net sales of Elovena products was more than 30% compared to the comparison period. During the reporting period, the Elovena brand's good net sales were boosted by value-added oat products, such as snack bars and the drinks produced in the new production plant. Snack biscuits, instant oatmeal and flakes also contributed to the growth of sales value. Of the 12 new products launched during the reporting period, Elovena puddings performed particularly well. During the review period, increased production costs were passed on to sales prices as planned to ensure profitability. As inflation continued to erode consumers' purchasing power, Raisio's flour and pasta products saw a decline in sales volumes during the review period. In Benecol products, both net sales and profitability declined from the comparison period.

The development in the sales volumes of plant proteins during the reporting period did not meet Raisio's expectations. During the review period, challenges in the plant protein market were particularly the result of a decline in net sales within the overall plant protein product category in Finland and increased competition within the product group. However, growth prospects for the product category are positive both in Finland and internationally. Raisio's plant protein development programme will deliver new innovations during 2023, as evidenced by the launch of the well-received Härkis Oat Mince product family during the review period. 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 2.7 (2.7) million. Profitability remained relatively at the level of the comparison period.

In Ukraine, net sales decreased clearly from the comparison period. EBIT decreased significantly. However, despite Russia's war of aggression, the reporting period in Ukraine was relatively positive and business was kept running throughout the period. The national economy in Ukraine has continued to deteriorate significantly over the past year. During the reporting period, the decline in consumers' disposable income and the resulting deterioration in purchasing power translated into a fall in sales volumes. During the reporting period, the weakening of the Ukrainian currency had a negative impact on the development of net sales and profitability. 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. In Poland, Raisio's net sales grew steadily throughout the review period. During the reporting period, 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. Sales volumes and market share of Benecol spreads remained at a high level during the review period. Elovena Gluten Free products have 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 discounter channel have increased. During the review period, a new distributor for Raisio added Raisio's

products to its listings in the discounter channel, and in the future Raisio aims to gain a solid position in this market.

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 in January–March, continuing operations

The Healthy Ingredients Segment's net sales totalled EUR 28.6 (27.6) million. Net sales were particularly increased by the development of B2B sales of grain-based products, which was significantly better than during the comparison period. The value of Raisio's sales to Finnish bakeries and industrial and catering customers increased significantly. 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 the timing of the deliveries.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 1.8 (0.0) million, which accounted for 6.4 (0.1) per cent of net sales. The Healthy Ingredients Segment's EBIT was EUR 1.8 (0.0) million, which accounted for 6.4 (0.1) per cent of net sales. Profitability improved significantly compared to the historically difficult comparison period. During the review period, grain prices fell in both Europe and Finland. As a result of the good harvest in Finland in 2022, grain quality contributed to production efficiency and yield, easing cost pressures and restoring relative profitability. Cost increases in the supply and food chain accumulate slowly, due to factors such as long supply contracts. The fall in grain purchase prices in Finland during the review period will affect Raisio with a delay, and the cost level will therefore remain higher than usual for a longer period. For other elements of production, such as packaging and logistics, some of these cost and availability challenges also still persist.

Key figures for the Healthy Ingredients Segment

		1–3/2023	1–3/2022	1–12/2022
Net sales	M€	28.6	27.6	115.7
Comparable EBIT	M€	1.8	0.0	3.4
Comparable EBIT	%	6.4	0.1	2.9
EBIT	M€	1.8	0.0	3.4
EBIT	%	6.4	0.1	2.9
Net assets	M€	121.1	113.8	118.4

Business operations, January–March

BtoB sales of grain and plant protein products

The value of Raisio's grainö-based product sales to Finnish bakeries and industrial and catering customers increased significantly. Profitability also improved significantly compared to the difficult comparison period. However, the continued decline in consumers' purchasing power and increased price competition during the review period were reflected in lower sales volumes, especially for bakeries and oat exports. To address the increased cost pressures, Raisio has continued to actively collaborate throughout the value chain with both internal and external stakeholders. During the reporting period, cost pressures were particularly caused by production factors, such as packaging materials and logistics. As a result of the good harvest in Finland in 2022, grain quality contributed to production efficiency and yield, at the same time easing cost pressures. During the review period, 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 introducing new products to the market, including both fava bean and oat-based products.

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. Raisio's export customers are both industrial end-users and distributors.

Benecol product ingredient sales to license partners

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

Grain procurement

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

Good grain harvests in Europe and Russia in 2022 meant that the supply of grains was plentiful and Russia dominated export markets in neighbouring regions. Grain and oilseed prices continued to fall in Europe during the early part of the year, stopping at the levels seen before Russia's invasion of Ukraine. On the other hand, the prices of fertilisers and other inputs also fell. The mild winter contributed to the overwintering of crops sown in the autumn.

In Finland, grain supply exceeded demand, partly due to limited grain exports. Grain prices also fell in Finland and the supply of grain decreased as prices fell. As a result, there was exceptionally little trade in grains at the end of the period. The fall in grain purchase prices in Finland during the review period will affect Raisio with a delay, and the cost level will therefore remain higher than usual for a longer period. The grain used by Raisio was Finnish, with the exception of durum wheat. The good quality of the 2022 harvest improved the efficiency and yield of the mills.

SHARES AND SHAREHOLDERS

In January–March, 6.9 (7.6) million free shares of Raisio plc were traded on NASDAQ OMX Helsinki Ltd. The value of share trading was EUR 17.1 (21.8) million, and the average share price was EUR 2.49 (2.85). The closing price on 31 March 2023 was EUR 2.51.

In January–March, 0.4 (0.4) million restricted shares were exchanged. The value of share trading was EUR 1.0 (1.2) million, and the average share price was EUR 2.49 (3.09). The closing price on 31 March 2023 was EUR 2.50.

On 31 March 2023, the company had a total of 37,677 (31 December 2022: 37,597) registered shareholders. Foreign ownership and nominee registrations accounted for 17.6 (31 December 2022: 18.1) per cent of the company's total share capital.

The market value of Raisio plc's shares at the end of March was EUR 399.2 (31 December 2022: 402.2) million and EUR 397.2 (31 December 2022: 399.2) million excluding the company's own shares.

During the review period, no restricted shares were converted into free shares.

The numbers of free and restricted shares issued by the company at the end of the reporting period were 129,056,994 and 30,113,342, respectively. The shares represented 731,323,834 votes.

On 1 February 2023, Raisio plc cancelled the shares in the so-called joint account, including a total of 587,728 restricted shares and 178,270 free shares that had been transferred to the company based on the forfeiture resolution of the Annual General Meeting of 12 April 2022. The cancellation had no impact on the company's share capital. At the end of the review period, the company held 1,223,722 free shares, or 0.95 per cent of all free shares and the votes they represent, and 0.77 per cent of all shares and 0.17 per cent of the votes they represent. 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 0.50 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the entire share capital and 0.41 per cent of the votes it represents.

The authorisation of the Board of Directors to decide to purchase and/or accept as collateral up to 5,000,000 free shares and 1,250,000 restricted shares was valid until 20 April 2023. Similarly, the authorisation of 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, was valid until 20 April 2023. Details of the authorisations are set out in the stock exchange release issued on 12 April 2022. During the review period, the Board has not exercised the authority to repurchase the company's own shares, accept them as collateral or issue shares.

ANNUAL GENERAL MEETING'S DECISIONS

The Annual General Meeting of Raisio plc held on 20 April 2023 adopted the financial statements for the financial year 1 January–31 December 2022 and granted discharge to the members of the Board of Directors and Supervisory Board and the CEO.

The AGM decided to pay a dividend of EUR 0.14 in accordance with the Board's proposal. The dividend will be paid on 3 May 2023 to shareholders who were registered in the shareholders' register on the record date of 24 April 2023, but not for shares held by the company.

The number of Board members was set at six (in 2022: five), with Erkki Haavisto, Leena Niemistö, Ann-Christine Sundell, Pekka Tennilä and Arto Tiitinen re-elected as Board members and Lauri Sipponen elected as a new member, all of whom will serve for the term of office starting from the AGM. At its constitutive meeting, the Board elected Arto Tiitinen as Chairperson and Ann-Christine Sundell as Deputy Chairperson.

It was decided that the Chairperson of the Board of Directors will receive a monthly remuneration of EUR 5,150 and the members EUR 2,650. Approximately 20% of this remuneration will be paid in the form of the company's own shares and approximately 80% in cash. The remuneration will be paid in two equal instalments during the term of office, with the first instalment on 15 June and the second on 15 December. In addition to this, the Chairperson of the Board and the chairpersons of the committees appointed by the Board from among its members will be paid a fee of EUR 800 per meeting and the members will be paid a fee of EUR 400 per meeting, and the same fees will also be paid to the members for the meetings of the committees appointed by the Board from among its members. The meeting fees will be paid in cash. Furthermore, a daily allowance will be paid for meeting days, and travel expenses will be reimbursed in accordance with the company's travel policy.

The number of members of the Supervisory Board was set at 25. Henrik Brotherus, Juha Marttila, Yrjö Ojaniemi and Johannes Tiusanen, who were due to stand down, were re-elected as members of the Supervisory Board for the term of office commencing at the AGM, and Leena Erälinna, Markus Ranne and Petteri Rinne were elected as new members.

The annual remuneration of the Chairperson of the Supervisory Board was set at EUR 12,000 and the meeting fees of the Chairperson and members of the Supervisory Board were set at EUR 350 per meeting, in addition to which they will be reimbursed for travel expenses and will receive a daily allowance for meeting attendance in accordance with the company's travel policy. It was also decided that the Chairperson of the Supervisory Board – and, in their absence, the Deputy Chairperson – will be paid a fee of EUR 350 for each meeting of the Board of Directors that they attend.

Audit firm Ernst & Young Oy and KHT Minna Viinikkala were re-elected as auditors, and KHT Heikki Ilkka and KHT Fredric Mattsson were elected as deputy auditors. KHT Mikko Järventausta will continue as the key audit partner appointed by the audit firm. The auditors' term of office started at the AGM and will end at the close of the next AGM.

The AGM authorised the Board of Directors to decide on the purchase and/or acceptance as collateral of up to 5,000,000 free shares and 1,250,000 restricted shares. The authorisation will be valid until the conclusion of the next Annual General Meeting, but not later than 30 April 2024.

Furthermore, the AGM authorised the Board to decide on the share issues by (1) disposing of up to 6,200,000 free shares and up to 1,250,000 restricted shares held by the company and (2) issuing a

maximum of 10,000,000 new free shares. The share issue authorisation will be valid until the conclusion of the next Annual General Meeting, but not later than 30 April 2024.

Details of the authorisations are set out in the stock exchange release issued on 20 April 2023.

The authorisations granted by the AGM in 2022 to purchase the company's own shares and issue shares expired on 20 April 2023.

CHANGES IN GROUP STRUCTURE

Raisioaqua Ltd, a fish feed subsidiary wholly owned by Raisio plc, was sold to a subsidiary of Finnforel Oy on 27 February 2023.

SHORT-TERM RISKS AND SOURCES OF UNCERTAINTY

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 REVIEW PERIOD

Raisio had no reported events after the review period.

In Raisio, Finland, 3 May 2023
Raisio plc
Board of Directors

Enquiries:

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

The information in the Interim Report is unaudited.

A webcast in Finnish of the Q1 results will start on 3 May 2023 at 12 noon, Finnish time. Raisio's first quarter will be presented by CEO Pekka Kuusniemi. The webcast is available via a link on the Raisio website. This is the direct link to the webcast: <https://raisio.videosync.fi/q1-2023>.

Raisio will publish the 2023 half-yearly review on 9 August 2023.

TABLE SECTION

Consolidated income statement (M€)

	1-3/2023	1-3/2022	1-12/2022
Net sales	56.5	53.2	220.8
Cost of sales	-40.7	-40.9	-167.0
Gross profit	15.8	12.3	53.8
Operating income and expenses	-11.8	-10.9	-35.9
EBIT	4.0	1.5	17.9
Financial income	0.7	0.1	1.0
Financial expenses	-0.3	-1.4	-3.8
Result before taxes	4.4	0.2	15.0
Income taxes	-0.9	-0.2	-2.5
Result for the period, continuing operations	3.5	0.0	12.5
Result for the period, discontinued operations	-0.3	-7.1	-7.7
Result for the period	3.2	-7.2	4.8
Attributable to			
Equity holders of the parent company	3.2	-7.2	4.8
Earnings per share from the profit attributable to equity holders of the parent company (€)			
Undiluted earnings per share	0.02	-0.05	0.03
Diluted earnings per share	0.02	-0.05	0.03
Undiluted earnings per share, continuing operations	0.02	0.00	0.08
Undiluted earnings per share, discontinued operations	0.00	-0.04	-0.05

Consolidated comprehensive income statement (M€)

	1-3/2023	1-3/2022	1-12/2022
Result for the period	3.2	-7.2	4.8
Other comprehensive income items			
Items that will not be reclassified to profit or loss			
Change in fair value of equity investments	0.0	0.6	0.6
Change in tax impact	0.0	-0.1	-0.1
Items that will not be reclassified to profit or loss, total	0.0	0.5	0.5
Items that may be subsequently transferred to profit or loss			
Change in value of cash flow hedging	-0.4	0.4	1.5
Change in translation differences related to foreign companies	0.6	-0.8	-2.5
Change in tax impact	0.1	-0.1	-0.3
Items that may be subsequently transferred to profit or loss, total	0.3	-0.4	-1.4
Comprehensive income for the period	3.5	-7.1	3.9
Components of comprehensive income			
Equity holders of the parent company	3.5	-7.1	3.9

Consolidated balance sheet (M€)

	31 March 2023	31 March 2022	31 December 2022
ASSETS			
Non-current assets			
Intangible assets	33.5	35.5	33.5
Goodwill	47.4	49.2	47.0
Tangible fixed assets	90.8	97.3	91.7
Equity investments	3.0	3.4	3.0
Deferred tax assets	4.3	5.1	3.7
Total non-current assets	179.0	190.5	179.0
Current assets			
Inventories	44.0	44.0	42.8
Accounts receivable and other receivables	30.1	32.4	31.0
Financial assets at fair value through profit or loss	46.0	61.1	40.1
Cash and bank receivables	31.5	17.9	31.9
Total current assets	151.7	155.3	145.8
Assets classified as being held for sale*	-	3.6	7.1
Assets	330.7	349.5	331.9
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Company shares	-2.9	-3.2	-2.9
Other equity attributable to equity holders of the parent company	241.5	249.3	238.0
Equity attributable to equity holders of the parent company	266.5	273.9	262.9
Non-controlling interests	-	-	-
Total shareholders' equity	266.5	273.9	262.9
Non-current liabilities			
Deferred tax liabilities	10.3	9.9	10.0
Provisions	0.5	-	-
Non-current financial liabilities	23.2	25.5	23.7
Total non-current liabilities	33.9	35.4	33.7
Current liabilities			
Accounts payable and other liabilities	26.9	33.1	31.1
Derivative contracts	0.1	0.1	0.1
Current financial liabilities	3.2	3.4	3.2
Total current liabilities	30.2	36.6	34.4
Debts and provisions related to assets being held for sale*	-	3.6	0.9
Total liabilities	64.2	75.6	69.0
SHAREHOLDERS' EQUITY AND LIABILITIES	330.7	349.5	331.9

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

Consolidated statement of changes in equity

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

Equity attributable to equity holders of the parent company

	A	B	C	D	E	F	G	H	I
Shareholders' equity 1 January 2023	27.8	2.9	88.6	20.8	1.1	-2.9	-17.3	141.9	262.9
Comprehensive income for the period									
Result for the period	-	-	-	-	-	-	-	3.2	3.2
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.0	-	-	-	0.0
Tax impact	-	-	-	-	0.0	-	-	-	0.0
Change in value of cash flow hedging	-	-	-	-	-0.4	-	-	-	-0.4
Change in translation differences related to foreign companies	-	-	-	-	-	-	0.6	-	0.6
Tax impact	-	-	-	-	0.1	-	-	-	0.1
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-0.3	0.0	0.6	3.2	3.5
Business activities involving shareholders									
Share-based payments	-	-	-	-	-	-	-	0.1	0.1
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Shareholders' equity 31 March 2023	27.8	2.9	88.6	20.8	0.8	-2.9	-16.7	145.2	266.5

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

Equity attributable to equity holders of the parent company	A	B	C	D	E	F	G	H	I
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									
Change in fair value of equity investments	-	-	-	-	0.6	-	-	-	0.6
Tax impact	-	-	-	-	-0.1	-	-	-	-0.1
Change in value of cash flow hedging	-	-	-	-	1.5	-	-	-	1.5
Change in translation differences related to foreign companies	-	-	-	-	-	-	-2.5	-	-2.5
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

Consolidated cash flow statement (M€)

	1-3/2023	1-3/2022	1-12/2022
CASH FLOW FROM BUSINESS OPERATIONS			
Result before taxes, continuing and discontinued operations	4.0	-8.0	6.5
Adjustments:			
Planned depreciation and impairment	2.5	6.9	10.3
Financial income and expenses	-0.4	1.2	2.8
Other adjustments	-0.5	3.0	7.4
Total adjustments	1.7	11.2	20.6
Cash flow before change in working capital	5.6	3.2	27.1
Change in working capital			
Increase (-) / decrease (+) in current receivables	1.6	-1.3	-0.1
Increase (-) / decrease (+) in inventories	-1.4	-6.4	-10.3
Increase (+) / decrease (-) in current interest-free liabilities	-3.3	-0.4	-1.8
Total change in working capital	-3.0	-8.0	-12.3
Cash flow from business operations before financial items and taxes	2.6	-4.9	14.8
Interest paid and payments for other financial expenses	-0.2	-0.1	-0.5
Dividends received	0.0	0.0	0.3
Interest received and other financial income	0.3	0.1	0.5
Other financial items, net	0.1	-0.1	-0.5
Income taxes paid	0.2	-0.3	-3.0
Cash flow from business operations after financial items and taxes	3.0	-5.2	11.6
CASH FLOW FROM INVESTMENTS			
Investment in tangible assets	-1.3	-1.3	-3.7
Investment in intangible assets	-0.2	-0.1	-0.7
Proceeds from transfer of shares in Group companies adjusted by cash at the date of transfer	7.4	-	-2.8
Income from intangible and tangible assets		0.0	1.6
Proceeds from equity investments	0.0	-	0.4
Cash flow from investments	5.9	-1.4	-5.2
Cash flow after investments	8.9	-6.6	6.4
CASH FLOW FROM FINANCIAL OPERATIONS			
Other financial items, net	-	0.0	-0.1
Payments associated with the reduction of lease liability	-0.7	-0.7	-2.9
Repayment of non-current loans	-	-	-0.1
Dividends and other profit distribution paid to shareholders of the parent company	0.0	0.0	-22.1
Cash flow from financial operations	-0.7	-0.7	-25.2
CHANGE IN LIQUID FUNDS	8.1	-7.3	-18.8
Liquid funds at the beginning of the period	68.1	89.0	89.0
Impact of changes in exchange rates	0.0	0.0	0.2
Impact of changes in the fair value of liquid funds	0.3	-1.2	-2.3
Liquid funds at the end of the period	76.6	80.5	68.1

NOTES TO THE FINANCIAL STATEMENTS BULLETIN

Basic information

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

Accounting principles and presentation of figures

Raisio plc's Interim Report for January–March 2023 has been prepared in accordance with IAS 34, Interim Financial Reporting regulations, and the same accounting principles as in the 2022 Financial Statements, with the exception of the standard amendments and interpretations concerning Raisio plc that came into effect on 1 January 2023.

The standard amendments and interpretations that entered into effect on 1 January 2023 have had no material impact on the Group's results, financial position or the presentation of the Interim Report.

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

Management's judgement

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

Compared to the 2022 Financial Statements, there have been no significant changes in the accounting principles or uncertainties included in the estimates requiring management's judgement. 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 as well as unfinished intangible assets, and to the fair value determination of the assets acquired in the business combination, to the amount of deferred tax asset and to what extent the tax asset can be recognised in the balance sheet, to the determination of depreciation periods, to the assessment of accounts receivable and inventories, and to the classification of lease periods and assets as held for sale or to be discontinued.

The Raisio Group suspended the export of foods and fish feeds to Russia at the start of March in the comparison year 2022, after Russia invaded Ukraine. In connection with the classification of business operations, the valuation of a non-current asset and the divestment of a business, 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. 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 in the Healthy Food Segment and the fish feed business in the Healthy Ingredients Segment.

The Raisio Group decided to terminate its consumer business in Russia in spring 2022. 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. The sale of the Russian consumer business generated a capital loss of EUR 3.5 million for Raisio. As a result, Raisio recognised an estimated impairment loss of EUR 2.9 million in its EBIT for the first quarter of 2022 and classified the activities included in the deal as assets being held for sale and reported them as discontinued operations.

On 31 May 2022, the Raisio Group began preparations to sell Raisioaqua Ltd and classified its fish feed business in the reporting for the second quarter of 2022 as assets being held for sale and reported it as discontinued operations. On 28 February 2023, Raisio announced that it had sold its fish feed business to a subsidiary of Finnforel Oy. The sale of the fish feed business generated a capital gain of EUR 0.6 million for Raisio for the review period 1 January–31 March 2023. In the first quarter of 2022, Raisio reported a EUR 4.1 million impairment loss in tangible fixed assets from the fish feed business.

Alternative key figures and items affecting comparability

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

The alternative figure is derived from the IFRS financial statements. It is possible to present items affecting comparability and 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 a one-off or infrequent event. Significant expenses of outside experts related to business acquisitions and business expansion, expenses related to business reorganisation and expenses related to the impairment of assets and their possible repayment are presented as items affecting comparability.

Items affecting comparability are 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.

Changes in Group structure

Raisioaqua Ltd, a fish feed subsidiary wholly owned by Raisio plc, was sold to a subsidiary of Finnforel Oy on 27 February 2023.

Events following the review period

Raisio had no reported events after the review period.

SEGMENT INFORMATION

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

Revenue by segment (M€)

	1-3/2023	1-3/2022	1-12/2022
Healthy Food			
Western Europe	15.4	16.0	64.1
Northern Europe	18.9	16.9	67.9
Eastern and Central Europe	2.7	2.7	11.0
Total Healthy Food	37.0	35.6	143.0
Healthy Ingredients	28.6	27.6	115.7
Other Operations	0.6	0.5	2.0
Sales between segments	-9.8	-10.5	-39.9
Total net sales	56.5	53.2	220.8

EBIT by segment (M€)

	1-3/2023	1-3/2022	1-12/2022
Healthy Food	3.3	2.7	18.0
Healthy Ingredients	1.8	0.0	3.4
Other Operations	-1.2	-1.3	-3.5
Interdivisional	0.0	0.0	0.0
Total EBIT	4.0	1.5	17.9

The EBIT of the Healthy Food Segment for the comparison period 1 January–31 December 2022 includes a return of EUR 1.1 million in pension fund surplus from previous years.

Net assets by segment (M€)

	1-3/2023	1-3/2022	1-12/2022
Healthy Food	84.8	88.2	83.9
Healthy Ingredients	121.1	113.8	118.4
Other Operations and unallocated items	60.5	71.9	60.6
Total net assets	266.5	273.9	262.9

Investments by segment (M€)

	1–3/2023	1–3/2022	1–12/2022
Healthy Food	0.1	0.1	0.4
Healthy Ingredients	0.8	0.9	3.5
Other Operations	0.4	0.5	1.2
Total investments	1.4	1.5	5.2

SALES REVENUE

Revenue by country (M€)

	1–3/2023	1–3/2022	1–12/2022
Finland	28.3	24.9	106.0
UK	12.6	13.5	53.5
Other	15.6	14.8	61.3
Total net sales	56.5	53.2	220.8

Revenue by group (M€)

	1–3/2023	1–3/2022	1–12/2022
Sales of goods	55.8	52.7	218.6
Sales of services	0.5	0.4	1.6
Royalties	0.1	0.1	0.6
Total net sales	56.5	53.2	220.8

ACQUIRED BUSINESSES, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Acquired businesses

No businesses were acquired between 1 January and 31 March 2023.

No businesses were acquired between 1 January and 31 March 2022 or 1 January and 31 December 2022.

Discontinued operations and assets held for sale

Fish feed business

In March 2022, Raisio plc terminated its export activities to Russia, which meant that the fish feed exports of the Group's Raisioaqua Ltd to the country also ended. The fish feed business is not part of Raisio's core

activities, which focus on healthy food and ingredients, nor is it one of the company's strategic areas of focus. On 31 May 2022, Raisio began preparations to sell Raisioaqua Ltd. On 28 February 2023, the Raisio Group announced that it had sold its fish feed business in the Healthy Ingredients Segment, transferring Raisioaqua Ltd, a fish feed subsidiary wholly owned by Raisio plc, to a subsidiary of Finnforel Oy on 27 February 2023. The sale of the fish feed business generated a capital gain of EUR 0.6 million for Raisio for the review period 1 January–31 March 2023. In the first quarter of 2022, Raisio reported a EUR 4.1 million impairment loss in tangible fixed assets from the fish feed business.

The Raisio Group has applied the requirements of standard IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations to the classification, presentation and disclosures related to the sale. The Raisio Group classified its fish feed business as assets held for sale and reported it as discontinued operations from the beginning of the second quarter of the comparison year 2022. Assets classified as being held for sale and the related debts and provisions are presented separately on their own lines in the balance sheet for the previous periods. In the Group's income statement, discontinued operations and continuing operations are presented separately and the comparison periods have been adjusted accordingly. The balance sheet has not been adjusted for earlier periods.

Income statement for the discontinued fish feed business (M€)

	1–3/2023	1–3/2022	1–12/2022
Net sales	1.3	1.9	24.9
Cost of sales	-1.6	-6.9	-27.9
Gross profit	-0.4	-5.0	-3.1
Operating income and expenses, net	-0.7	-0.5	-2.0
EBIT	-1.0	-5.5	-5.1
Financial income and expenses	0.0	-	-
Result for the period before taxes	-1.0	-5.5	-5.1
Income taxes	0.1	1.1	1.1
Result for the period after taxes	-0.9	-4.4	-4.0
Result of the transfer of discontinued operations after taxes	0.6		
Result for the period from discontinued operations	-0.3		
Taxes on discontinued operations			
Taxes on the result of discontinued operations	0.0		
Taxes on the transfer of discontinued operations	0.0		
Taxes on discontinued operations, total	0.1		

EBIT for the comparison periods 1 January–31 March 2022 and 1 January–31 December 2022 includes a EUR 4.1 million impairment loss from fixed assets.

Earnings per share from the discontinued fish feed business

	1–3/2023	1–3/2022	1–12/2022
Earnings per share, €	0.00	-0.03	-0.03

Impact of the discontinued fish feed business on the Group's financial position (M€)

	31 March 2023	31 March 2022	31 December 2022
Intangible assets	0.1	0.1	0.1
Tangible fixed assets	2.0	2.2	2.2
Deferred tax assets	0.1	1.1	0.1
Inventories	5.1	11.0	4.9
Accounts receivable and other receivables	1.2	1.4	2.3
Cash and bank receivables	0.2	-	-
Total assets included in the group classified as held for sale / sold	8.6	15.8	9.6
Deferred tax liabilities	-	0.0	-
Non-current right-of-use assets	0.0	0.0	0.0
Current right-of-use assets	0.0	0.0	0.0
Accounts payable and other liabilities	2.0	4.6	0.8
Other interest-bearing liabilities and cash pool	3.2	5.0	2.5
Total debts included in the group classified as held for sale / sold	5.2	9.7	3.4
Total net assets included in the group classified as held for sale / sold	3.4	6.1	6.2
Capital gain/loss on sold subsidiary shares	0.9		
Transaction expenses allocated to the divestment	-0.3		
Profit impact on EBIT	0.6		
Debt-free selling price of subsidiary shares	7.5		
Interest-bearing financial liability of divested subsidiary at the time of transfer	-3.2		
Selling price of subsidiary shares	4.4		
Selling price of subsidiary shares	4.4		
Net interest-bearing financial liability of divested subsidiary at the time of transfer	3.0		
Sale of subsidiary shares adjusted for cash at the time of transfer	7.4		
Cash flow from divestment including expenses	7.1		

Cash flow from the discontinued fish feed business (M€)

	1–3/2023	1–3/2022	1–12/2022
Subsidiary divestments adjusted for cash at the time of transfer	7.4	-	-
Cash flow from business operations	-0.3	-4.4	-1.0
Cash flow from investments	0.0	0.0	-0.3
Cash flow in total	7.1	-4.3	-1.3

Russian consumer business

On 29 April 2022, Raisio signed an agreement for the sale of the Healthy Food Segment's Central and Eastern European consumer business in Russia. 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. The sale of the Healthy Food Segment's Russian consumer business generated a capital loss of EUR 3.5 million for Raisio. As a result, Raisio recognised an estimated impairment loss of EUR 2.9 million in its EBIT for the first quarter of 2022.

The Raisio Group 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 Raisio Group classified the Russian consumer business as assets held for sale and reported it as discontinued operations from the beginning of the first quarter of the comparison year 2022. Assets classified as being held for sale and the related debts and provisions are presented separately on their own lines in the balance sheet for the previous periods. In the Group's income statement, discontinued operations and continuing operations are presented separately and the comparison periods have been adjusted accordingly. The balance sheet has not been adjusted for earlier periods.

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

	1-3/2022	1-12/2022
Net sales	2.1	2.4
Cost of sales	-1.7	-2.0
Gross profit	0.4	0.4
Operating income and expenses	-3.1	-0.4
EBIT	-2.7	0.1
Financial income	0.0	0.0
Result before taxes	-2.7	0.1
Income taxes	0.0	0.0
Result for the period after taxes	-2.7	0.1
Result of the transfer of discontinued operations after taxes	-	-3.8
Result for the period from discontinued operations	-2.7	-3.7
Taxes on discontinued operations		
Taxes on the result of discontinued operations	0.0	0.0
Taxes on the transfer of discontinued operations	-	-0.3
Taxes on discontinued operations, total	0.0	-0.3

Earnings per share from the discontinued Russian consumer business

	1-3/2022	1-12/2022
Earnings per share, €	-0.02	-0.02

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

	31 March 2022	31 December 2022
Non-current assets	0.0	0.1
Inventories	0.2	0.4
Current receivables	1.5	0.8
Liquid funds	1.9	2.8
Assets in total	3.6	4.0
Non-current liabilities	0.0	-
Current liabilities	0.8	0.4
Total liabilities	0.8	0.4
Total provisions included in the group classified as held for sale / sold	2.9	-
Total liabilities and provisions included in the group classified as held for sale / sold	3.6	0.4
Total net assets included in the group classified as held for sale / sold	0.0	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 selling price of shares and the Nordic brand		4.3
Net interest-bearing assets of divested subsidiary at the time of transfer		2.8
Selling price of shares and the Nordic brand		1.5
Selling price 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

Provisions of the discontinued Russian consumer business (M€)

	31 March 2022	31 December 2022
At the beginning of the period	-	-
Increases in provisions	2.9	-
At the end of the period	2.9	-

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

	1–3/2022	1–12/2022
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	0.3	1.4
Cash flow impact in total	0.3	0.1

Tangible right-of-use assets (M€)

	31 March 2023	31 March 2022	31 December 2022
Acquisition cost at the beginning of the period	357.8	354.5	354.5
Translation differences	0.0	-0.1	0.2
Additions, includes additions made in accordance with the IFRS 16 standard	1.2	1.6	4.8
Sales, decreases and transfers	-49.0	0.0	-1.7
Assets classified as being held for sale	-	-	-17.6
Acquisition cost at the end of the period	310.0	356.0	340.2
Accumulated depreciation and impairment at the beginning of the period	263.8	252.4	252.4
Translation differences	0.0	-0.1	0.2
Sales, decreases and transfers	-46.8	0.0	-1.7
Depreciation and impairment for the period	2.1	6.4	12.9
Assets classified as being held for sale	-	-	-15.4
Accumulated depreciation and impairment at the end of the period	219.2	258.7	248.5
Book value at the end of the period	90.8	97.3	91.7

Leased right-of-use assets (M€)

	31 March 2023	31 March 2022	31 December 2022
Acquisition cost at the beginning of the period	32.1	31.4	31.4
Translation differences	0.0	0.0	0.0
Increases	0.3	0.6	0.9
Divestment and other decreases	-0.1	0.0	0.0
Assets held for sale	-	-	-0.1
Acquisition cost at the end of the period	32.3	31.9	32.1
Accumulated depreciation and impairment at the beginning of the period	-5.5	-2.6	-2.6
Translation differences	0.0	0.0	0.0
Accumulated depreciation of decreases and transfers	0.0	0.0	0.0
Depreciation for the period	-0.8	-0.7	-3.0
Assets held for sale	-	-	0.0
Accumulated depreciation and impairment at the end of the period	-6.3	-3.4	-5.5
Book value at the beginning of the period	26.6	28.7	28.7
Book value at the end of the period	26.0	28.5	26.6

Items from leases recognised in the income statement (M€)

	31 March 2023	31 March 2022	31 December 2022
Rental income	0.2	0.2	0.7
Depreciation for fixed assets	-0.7	-0.7	-3.0
Costs of short-term and low-value leases	0.0	0.0	0.0
Interest expenses related to leases	-0.1	-0.1	-0.4
Total	-0.7	-0.7	-2.7
Outgoing cash flow resulting from leases	0.7	0.7	2.9

Lease liabilities (M€)

	31 March 2023	31 March 2022	31 December 2022
Lease liabilities 1 January	26.7	28.8	28.8
Translation differences	0.0	0.0	0.0
Increase in lease liabilities	0.3	0.6	0.9
Payments related to decrease of lease liabilities	-0.8	-0.7	-2.9
Assets held for sale	-	-	0.0
Total	26.2	28.6	26.7
Non-current lease liabilities at the beginning of period	23.5	25.6	25.6
Non-current lease liabilities at the end of period	23.1	25.3	23.5
Current lease liabilities at the beginning of period	3.2	3.2	3.2
Current lease liabilities at the end of period	3.1	3.4	3.2

The Raisio Group is exposed to an annual outgoing cash flow of approximately EUR 2.0 million related to the process equipment of the production facility completed in autumn 2021.

Provisions (M€)

	31 March 2023	31 March 2022	31 December 2022
At the beginning of the period	-	-	-
Increases in provisions, environmental provision of discontinued fish business	0.5	-	-
At the end of the period	0.5	-	-

Related party transactions (M€)

	31 March 2023	31 March 2022	31 December 2022
Sales to key employees in management	0.6	0.3	1.9
Purchases from key employees in management	0.1	0.1	0.3
Receivables from key employees in management	0.2	0.1	0.2
Payables to key employees in management	0.0	0.0	0.0

Contingent liabilities and assets (M€)

	31 March 2023	31 March 2022	31 December 2022
Contingent off-balance sheet liabilities			
Other liabilities	4.2	6.3	6.9
Guarantee liabilities on the Group companies' commitments	7.9	1.3	4.1
Commitment to investment payments	1.6	2.3	1.7

Derivative contracts (M€)

	31 March 2023	31 March 2022	31 December 2022
Nominal values of derivative contracts			
Currency forward contracts	33.1	34.8	35.6
Currency options	7.6	11.8	8.1
Interest rate swap	14.0	15.0	14.5

Fair values of financial assets and liabilities (M€)

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

	Book value 31 March 2023	Fair value 31 March 2023	Book value 31 December 2022	Fair value 31 December 2022
Financial assets				
Equity investments*)	3.0	3.0	3.0	3.0
Accounts receivable and other receivables	28.9	28.9	30.0	30.0
Investments recorded at fair value through profit or loss*)	45.0	45.0	38.7	38.7
Liquid funds	29.5	29.5	31.9	31.9
Derivatives*)	1.0	1.0	1.4	1.4
Financial liabilities				
Other loans	0.2	0.2	0.2	0.2
Lease liabilities	26.2	27.3	26.7	27.5
Accounts payable and other liabilities	17.7	17.7	21.8	21.8
Derivatives*)	0.1	0.1	0.1	0.1

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

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

RECONCILIATIONS RELATED TO CASH FLOW STATEMENT

Other adjustments to cash flows from operations (M€)

	1-3/2023	1-3/2022	1-12/2022
Impairment for intangible and tangible fixed assets		-	4.1
Divestment losses/gains of subsidiary shares	-0.9	-	5.0
Capital gains and losses of fixed assets	-	-	-1.5
Costs of share rewards	0.1	0.2	0.1
Provisions	0.5	2.9	-
Other	-0.1	-0.1	-0.3
Total adjustments in cash flow statement	-0.5	3.0	7.4

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

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

	1-3/2023	1-3/2022	1-12/2022
Acquisitions of fixed assets in total	-1.3	-1.7	-5.5
Payments for investments of earlier financial periods (change in liabilities)	-0.2	0.3	1.1
Investments funded by lease commitments or other interest-bearing debt	-0.7	-0.7	-2.9
Fixed asset acquisitions funded by cash payments	-2.2	-2.1	-7.3
Capital gain and loss on fixed assets in the income statement or comprehensive income statement	-	-	1.8
Balance sheet value of disposed asset	-	-	0.1
Consideration received from fixed asset divestments in the cash flow statement	0.0	0.0	1.9

Disposal of subsidiary shares in the cash flow of investing (M€)

	1–3/2023	1–3/2022	1–12/2022
Capital gain or loss in the income statement excluding expenses allocated to the sale	0.9	-	-3.6
Total net assets sold	3.4	-	3.6
Sales price	7.5	-	0.0
Proceeds in the cash flow statement adjusted by cash at the date of transfer	7.4	0.0	-2.8

Reconciliation of liabilities related to financing activities (M€)

	31 December 2022	Cash flows	Non-cash changes			31 March 2023
			IFRS 16	Changes in exchange rates	Other change	
Non-current liabilities	0.2	-	-	-	-	0.2
Lease liabilities	26.7	-0.7	0.2	0.0	0.0	26.2
Total liabilities for financing activities	26.9	-0.7	0.2	0.0	0.0	26.4

RECONCILIATIONS OF ALTERNATIVE KEY FIGURES

Reconciliation of items affecting comparable EBIT, Raisio Group

		1-3/2023	1-3/2022	1-12/2022
Comparable EBIT		4.2	1.5	18.4
- Expenses related to business expansion	M€	-0.2	-	-0.5
Items affecting comparability, in total	M€	-0.2	-	-0.5
EBIT	M€	4.0	1.5	17.9

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

		1-3/2023	1-3/2022	1-12/2022
Comparable EBITDA	M€	6.7	3.9	28.3
+/- Items affecting EBIT	M€	-0.2	-	-0.5
Items affecting comparability, in total	M€	-0.2	-	-0.5
EBITDA	M€	6.5	3.9	27.8
+/- Depreciation	M€	-2.5	-2.5	-10.0
EBIT	M€	4.0	1.5	17.9

Quarterly earnings of group (M€)

	1–3/2023	10–12/2022	7–9/2022	4–6/2022	1–3/2022
Net sales by segment					
Healthy Food	37.0	35.6	36.7	35.1	35.6
Healthy Ingredients	28.6	29.1	29.6	29.4	27.6
Other Operations	0.6	0.6	0.5	0.5	0.5
Interdivisional	-9.8	-9.7	-10.3	-9.4	-10.5
Total net sales	56.5	55.6	56.5	55.5	53.2
EBIT by segment					
Healthy Food	3.3	4.5	6.6	4.1	2.7
Healthy Ingredients	1.8	1.8	0.2	1.4	0.0
Other Operations	-1.2	-0.4	-0.7	-1.0	-1.3
Interdivisional	0.0	0.0	0.0	0.0	0.0
Total EBIT	4.0	5.9	6.2	4.4	1.5
Financial income and expenses, net	0.4	0.3	-0.7	-1.2	-1.3
Result before taxes	4.4	6.2	5.5	3.2	0.2
Income taxes	-0.9	-1.1	-1.0	-0.2	-0.2
Group result	3.5	5.0	4.5	3.0	0.0

	10–12/2021	7–9/2021	4–6/2021	1–3/2021
Net sales by segment				
Healthy Food	35.2	34.0	33.1	32.0
Healthy Ingredients	26.7	25.3	24.0	20.7
Other Operations	0.4	0.3	0.3	0.4
Interdivisional	-8.6	-8.8	-7.5	-7.6
Total net sales	53.8	50.8	49.9	45.5
EBIT by segment				
Healthy Food	4.5	5.3	3.9	4.5
Healthy Ingredients	1.5	1.7	0.6	1.8
Other Operations	-1.4	-0.3	-1.1	-0.8
Interdivisional	0.0	0.0	0.0	0.0
Total EBIT	4.6	6.7	3.4	5.5
Financial income and expenses, net	0.1	0.0	0.5	0.3
Result before taxes	4.7	6.7	4.0	5.7
Income taxes	0.3	-1.3	-0.8	-1.2
Group result	4.9	5.4	3.1	4.5

Quarterly net sales of the group's strategic areas of focus (M€)

		1–3/2023	10–12/2022	7–9/2022	4–6/2022	1–3/2022
Net sales	M€	44.7	43.4	43.6	42.3	42.5
Benecol® and plant stanol ester solutions	M€	27.8	28.8	28.2	28.4	28.4
Value-added oat products and ingredients	M€	15.1	13.1	13.7	12.2	12.3
Plant proteins	M€	1.7	1.5	1.6	1.7	1.8

Key figures

	31 March 2023	31 March 2022	31 December 2022
Net sales, M€	56.5	53.2	220.8
Change in net sales, %	6.1	16.9	10.4
EBITDA, M€	6.5	3.9	27.8
Comparable EBITDA, M€	6.7	3.9	28.3
Depreciation and impairment, M€	2.5	2.5	10.0
EBIT, M€	4.0	1.5	17.9
% of net sales	7.1	2.7	8.1
Comparable EBIT, M€	4.2	1.5	18.4
% of net sales	7.5	2.7	8.3
Result before taxes, M€	4.4	0.2	15.0
% of net sales	7.7	0.3	6.8
Return on equity, %, continuing operations	5.3	4.6	4.6
Return on invested capital, ROIC, %	5.5	-12.1	2.0
Comparable return on invested capital, ROIC, %	5.8	-12.1	4.9
Return on invested capital, ROIC, %, continuing operations	6.0	-0.1	5.5
Comparable return on invested capital, ROIC, %, continuing operations	6.4	-0.1	5.6
Interest-bearing financial liabilities at end of period, M€	26.4	28.9	27.0
Net interest-bearing financial liabilities at end of period, M€	-50.1	-51.6	-41.2
Working capital	47.6	35.8	44.0
Equity ratio, %	80.6	78.4	79.2
Net gearing, %	-18.8	-18.8	-15.7
Investments, M€	1.4	1.5	5.2
% of net sales	2.4	0.7	2.3

	31 March 2023	31 March 2022	31 December 2022
R & D expenses, M€	0.8	0.7	2.9
% of net sales	1.3	1.4	1.3
Average personnel	341	337	342
Earnings per share, €	0.02	-0.05	0.03
Earnings per share, €, continuing operations	0.02	0.00	0.08
Comparable earnings per share, €, continuing operations	0.02	0.00	0.08
Earnings per share, €, discontinued operations	0.00	-0.04	-0.05
Cash flow from business operations after financial items and taxes, M€	3.0	-5.2	11.6
Cash flow from business operations per share after financial items and taxes, €	0.02	-0.03	0.07
Equity per share, €	1.69	1.73	1.66
Average number of shares during the period, in 1,000s			
Free shares	127,895	127,744	127,935
Restricted shares	30,318	30,712	30,705
Total *	158,213	158,456	158,640
Average number of shares at end of period, in 1,000s			
Free shares	127,833	129,232	128,012
Restricted shares	30,113	30,704	30,701
Total *	157,947	159,936	158,713
Market capitalisation of shares at end of period, M€			
Free shares	318.3	341.1	318.7
Restricted shares	78.9	91.8	80.4
Total *	397.2	432.9	399.1
Share price at end of period			
Free shares	2.51	2.67	2.49
Restricted shares	2.50	2.99	2.62

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

FORMULAS FOR KEY FIGURES

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

Formulas for alternative key figure calculation

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

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

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

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

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

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

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

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

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



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