



# Half-Year Financial Report January–June 2023

Raisio plc



## Strong result in a weak market environment

### FINANCIAL DEVELOPMENT IN BRIEF

#### April–June 2023, continuing operations

- The Group's net sales totalled EUR 52.7 (55.5) million, which signified a decrease of 5.1%.
- Comparable EBITDA was EUR 8.2 (6.9\*\*) million, which accounted for 15.5 (12.4) per cent of net sales.
- EBITDA was EUR 7.5\* (6.9) million, which accounted for 14.3 (12.4) per cent of net sales.
- Comparable EBIT was EUR 5.7 (4.4\*\*) million, accounting for 10.8 (7.9) per cent of net sales.
- EBIT was EUR 5.0\* (4.4) million, which accounted for 9.5 (7.9) per cent of net sales.
- The Group's cash flow from continuing operations after financial items and taxes totalled EUR 9.8 (-0.2) million.

*\*EBITDA and EBIT include EUR 0.2 million in costs related to business expansion and EUR 0.4 million in costs related to reorganisation.*

*\*\*The comparable EBITDA and EBIT for the comparison period include a return of EUR 1.1 million in pension fund surplus from previous years.*

#### January–June 2023, continuing operations

- The Group's net sales totalled EUR 109.1 (108.7) million, which signified a growth of 0.4%.
- Comparable EBITDA was EUR 14.9 (10.9\*\*) million, which accounted for 13.7 (10.0)% of net sales.
- EBITDA was EUR 14.0\* (10.9) million, which accounted for 12.8 (10.0) per cent of net sales.
- Comparable EBIT was EUR 9.9 (5.9\*\*) million, accounting for 9.1 (5.4) per cent of net sales.
- EBIT was EUR 9.0\* (5.9) million, which accounted for 8.2 (5.4) per cent of net sales.
- The Group's cash flow from continuing operations after financial items and taxes totalled EUR 13.0 (-1.4) million.
- The comparable return on invested capital (ROIC) was 7.4 (2.5) per cent and the return on invested capital (ROIC) was 6.7 (2.5) per cent.

*\*EBITDA and EBIT include EUR 0.5 million in costs related to business expansion and EUR 0.4 million in costs related to reorganisation.*

*\*\*The comparable EBITDA and EBIT for the comparison period include a return of EUR 1.1 million in pension fund surplus from previous years.*

### OUTLOOK 2023

Raisio announced on 10 July 2023 that it had updated its financial outlook for 2023. Previously, the company had estimated that its outlook for 2023 would show an increase in comparable net sales and profit compared to the previous year.

#### New guidance for 2023:

Raisio expects comparable net sales to be at or slightly below the previous year's level. Comparable profit is expected to increase from the previous year, to between EUR 21 and 23 million (EUR 18.4 million in 2022).

## Key figures of the Group, continuing operations

		4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales	M€	52.7	55.5	109.1	108.7	220.8
Change in net sales	%	-5.1	11.2	0.4	13.9	10.4
Comparable EBITDA	M€	8.2	6.9	14.9	10.9	28.3
Comparable EBITDA as a percentage of net sales	%	15.5	12.4	13.7	10.0	12.8
EBITDA	M€	7.5	6.9	14.0	10.9	27.8
EBITDA as a percentage of net sales	%	14.3	12.4	12.8	10.0	12.6
Comparable EBIT	M€	5.7	4.4	9.9	5.9	18.4
Comparable EBIT as a percentage of net sales	%	10.8	7.9	9.1	5.4	8.3
EBIT	M€	5.0	4.4	9.0	5.9	17.9
EBIT as a percentage of net sales	%	9.5	7.9	8.2	5.4	8.1
Comparable earnings per share	€	0.03	0.02	0.05	0.02	0.08
Earnings per share	€	0.03	0.02	0.05	0.02	0.08

## Currency conversion impacts on net sales and EBIT

		4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales	M€	-0.4	0.3	-1.4	0.9	1.2
Comparable EBIT	M€	0.0	0.0	-0.1	0.1	0.2
EBIT	M€	0.0	0.0	-0.1	0.1	0.2

## CEO PEKKA KUUSNIEMI:

The sharp rise in food prices, general inflation and the rapid rise in interest rates have had an unexpected impact on consumer purchase behaviour. The weakening of purchasing power has resulted in a significant drop in volumes as consumers seek to save on their daily spending, which has affected all of Raisio's market areas. The biggest drop in volumes has been seen in the UK, where macroeconomic challenges have been widely felt in the grocery sector. In Ireland, however, demand for Benecol® products has continued to grow despite the inflation developments.

The volume challenges increased during the second quarter, and Raisio's net sales fell by 5.1%. However, increasing efficiency in all operations significantly improved comparable EBIT, which amounted to EUR 5.7 (4.4) million and 10.8 (7.9) per cent of net sales. Cash flow after financial items and taxes was very strong at EUR 9.8 (-0.2) million. We have been able to quickly turn all key performance and profitability indicators in the right direction after the shock we suffered as a result of Russia's invasion of Ukraine.

In a declining market, Raisio's focus is on developing profitability, marketing efforts are targeted around the moment of purchase and efforts are made to make the most of the value of new product launches. The development of new products, made possible by the new production facilities, continues to accelerate, and



consumers continue to be interested in innovative brand products, despite the recent trend towards frugality in food choices. The continued success of Elovena® products is an excellent demonstration of this, with a 20% growth during the review period.

The comprehensive modernisation of our pasta factory has progressed according to plan during the period. The new production line installed during the summer will be ready for production in August, and Torino® pasta products will again be produced in Raisio for Finnish consumers in a factory with state-of-the-art technology and product safety. The investment is worth EUR 4.1 million and the installation work will take approximately 10 weeks in total.

Raisio's strategy focuses on the strengths we have developed over a long period of time, and we have a proven ability to respond quickly to changing market conditions and a resilient balance sheet that allows us to invest in future growth. My warmest thanks to Raisio's staff for their continued good work in these exceptional times!

## STRATEGY PERIOD OBJECTIVES 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.

### Net sales for strategic areas of focus

		1–6/2023	1–6/2022	1–12/2022
Raisio Group's net sales	M€	109.1	108.7	220.8
Net sales for areas of focus	M€	86.4	84.8	171.8
Benecol® and plant stanol ester solutions	M€	54.7	56.8	113.8
Value-added oat products and ingredients	M€	28.8	24.5	51.4
Plant proteins	M€	2.9	3.5	6.6

## OPERATING ENVIRONMENT

The ongoing change underlying the economy and markets has become clearly visible in recent 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. The high cost of living is negatively affecting consumer confidence and demand in many regions. Food consumption is changing over the longer term, and the rapid rise in food prices is also affecting households' purchasing behaviour. Consumers are paying ever more attention to prices while still putting their trust in strong and well-known brands.

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 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.

## FINANCIAL DEVELOPMENT

### April–June, continuing operations

Raisio Group's net sales totalled EUR 52.7 (55.5) million. The Healthy Food Segment's net sales totalled EUR 34.9 (35.1) million and the Healthy Ingredients Segment's net sales were EUR 26.1 (29.4) million. In the main markets of our consumer brands, Finland and the United Kingdom, the development of sales was very variable. In Finland, the Elovena brand succeeded in increasing its market share in terms of sales value. Sales volumes also held up in a difficult market. In the UK, consumer sentiment and demand, hit by the high inflation, reduced the net sales of Benecol products, with sales volumes declining significantly.

The net sales of the Healthy Ingredients Segment decreased significantly compared to the comparison period. As production volumes fell, the sales value of the side streams of production also decreased significantly. Falling grain prices in the early part of the reporting period resulted in a significant decrease in the net sales of Raisio's external grain trade.

The Raisio Group's comparable EBIT was EUR 5.7 (4.4) million, which accounted for 10.8 (7.9) per cent of net sales. EBIT was EUR 5.0 (4.4) million, which accounted for 9.5 (7.9) per cent of net sales. Profitability improved in both the Healthy Food and Healthy Ingredients segments. Profitability was boosted by the necessary price increases made mainly in the previous financial year to curb cost pressures. The improvement in the gross margin and careful cost management compensated for the impact of lower sales volumes on profitability.

The conversion impact on the Group's net sales was EUR -0.4 (0.3) million. The British pound accounted for EUR -0.3 (0.2) million and other currencies for EUR -0.1 (0.1) million. During the reporting period or the comparison period, currencies had no conversion impact on the Group's EBIT or comparable EBIT. 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 0.7 (-1.2) million. The net financial items in the review period 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 5.7 (3.2)

million. The Group's post-tax result was EUR 4.2 (3.0) million. The Group's earnings per share were EUR 0.03 (0.02) and the comparable figure was EUR 0.03 (0.02).

### January–June, continuing operations

Raisio Group's net sales totalled EUR 109.1 (108.7) million. The Healthy Food Segment's net sales totalled EUR 71.9 (70.7) million and the Healthy Ingredients Segment's net sales were EUR 54.6 (57.0) million. The high cost of living had a negative impact on consumer sentiment and demand in many markets. Net sales remained at the level of the comparison period, even though the volumes of certain brands decreased in comparison to the comparison period. During the review period, the value of sales to Finnish bakeries and industrial and catering customers increased dramatically. In BtoB sales of grain and plant protein products, the decrease in consumer purchasing power and increased price competition were reflected in significantly lower sales volumes across the board. However, no significant customer losses were seen during the review period. In the consumer market in Finland, the Elovena® brand in particular saw a significant increase in total net sales driven by new product launches, while also increasing its market share in terms of sales value. The sales of the Elovena brand were around 25% higher than in the comparison period. In the Irish consumer market, the net sales and profitability of Benecol products also increased significantly thanks to successful marketing investments.

In the UK, consumer confidence improved during the first half of the year but still remains low, and the restoration of confidence has not yet been reflected in the category of cholesterol-lowering products. The net sales of Benecol products declined significantly in the UK. Sales volumes also decreased significantly, but the market share in the category remained at a high level. Also in the plant protein market, the challenges during the review period 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. Price increases implemented in the previous financial year due to strong cost inflation improved Raisio's net sales and profitability.

The Raisio Group's comparable EBIT was EUR 9.9 (5.9) million, which accounted for 9.1 (5.4) per cent of net sales. EBIT was EUR 9.0 (5.9) million, which accounted for 8.2 (5.4) per cent of net sales. Profitability also improved significantly compared to the difficult comparison period. During the review period, average grain prices fell in both Europe and Finland. However, the poor crop yield outlook caused prices to rebound towards the end of the review period. 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 and decreases 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's cost structure with a long delay, and the cost level will remain higher than usual for a fairly long time. During the reporting period, comparable EBIT was also improved by a significant decrease in marketing investments.

The conversion impact on the Group's net sales was EUR -1.4 (0.9) million. The British pound accounted for EUR -1.0 (0.8) million and other currencies for EUR -0.4 (0.1) 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 -0.2 (0.1) million and other currencies for EUR 0.1 (0.0) million.

The depreciations and impairments totalled EUR 5.0 (5.0) million. The Group's net financial items were EUR 1.1 (-2.5) million. The net financial items in the review period included a fair value change of EUR 0.6 (-2.4) million for financial assets recognised at fair value through profit or loss. The Group's pre-tax result was EUR 10.1 (3.3) million. The Group's post-tax result was EUR 7.7 (2.9) million. The Group's earnings per share were EUR 0.05 (0.02) and the comparable figure was EUR 0.05 (0.02).

## BALANCE SHEET, CASH FLOW AND FINANCING

At the end of March, the Raisio Group's balance sheet totalled EUR 317.2 (31 December 2022: 331.9) million. Shareholders' equity was EUR 250.1 (31 December 2022: 262.9) million. Equity per share totalled EUR 1.58 (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 13.0 (-1.4) 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 June, working capital from continuing operations amounted to EUR 42.9 (31 December 2022: 44.0) million.

The Group's interest-bearing debt at the end of June was EUR 25.9 (31 December 2022: 27.0) million. Net interest-bearing debt was EUR -35.7 (31 December 2022: -41.2) million.

At the end of June, Raisio's financial assets recognised at fair value through profit or loss, as well as cash and cash equivalents, totalled EUR 61.6 (31 December 2022: 68.1) million. Cash reserves are primarily invested in low-risk, liquid investment objects.

At the end of June, the Group's equity ratio totalled 78.9 (31 December 2022: 79.2) per cent and net gearing was -14.3 (31 December 2022: -15.7) per cent. The return on invested capital (ROIC) for continuing operations was 6.7 (31 December 2022: 5.5) per cent and the comparable return on invested capital (ROIC) was 7.4 (31 December 2022: 5.6) per cent.

### Key figures for the balance sheet and financing

		30 June 2023	30 June 2022	31 December 2022
Cash flow from business operations after financial items and taxes, continuing operations	M€	13.0	-1.4	11.2
Equity ratio	%	78.9	78.3	79.2
Net gearing	%	-14.3	-8.5	-15.7
Net interest-bearing debt	M€	-35.7	-21.7	-41.2
Equity per share	€	1.58	1.61	1.66
Investments, continuing operations	M€	4.9	2.6	5.2
Comparable return on invested capital (ROIC), continuing operations	%	7.4	2.5	5.6
Return on invested capital (ROIC), continuing operations	%	6.7	2.5	5.5

## INVESTMENTS

The January–June investments totalled EUR 4.9 (2.6) million, or 4.5 (2.4) per cent of net sales.

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 August 2023 and will amount to approximately EUR 4.1 million. The investment facilitates better new commercial product applications of different ingredients.

In keeping with our strategy, we will continue with investments to enable growth in value-added oat products and plant proteins. 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 current financial year.

## PERSONNEL

The Raisio Group's continuing operations employed 361 (354) people at the end of June. The Healthy Food Segment employed 117 (113) people, Healthy Ingredients 194 (196) and Other Operations 50 (45). Of the personnel in continuing operations, 13.3 (14.4) per cent worked in Raisio's operations abroad.

## RESEARCH AND DEVELOPMENT

Raisio's research and development expenses in January–June totalled EUR 1.5 (1.4) million, or 1.4 (1.3) per cent of net sales.

At the beginning of the year, Raisio continued its successful sustainability work by replacing the wrapping of Elovena snack biscuits with a material suitable for cardboard recycling. During the spring of 2023, the fava bean chunks and fava bean mince of the Härkis product line also received new packaging that uses 80% less plastic than the old packaging. With the new packaging design, the shelf life of the product was extended from one month to six months. This is a significant change for food waste management.

In keeping with Raisio's strategic goals, our research and product development investments are focused on achieving even better capabilities and properties in select consumer brands, particularly as concerns gluten-free oats as raw material, plant proteins and the ongoing product and application developments of Benecol products. These rising costs will be covered mainly by efficiency measures already underway in production, procurement and support functions. In the early part of the year, the launch of products from the new Raisio production facility in particular supported profitability by increasing the facility's utilisation rate.

The change programme launched in 2022 has made Raisio's business operations increasingly systematic and goal-oriented, and in particular the goal-orientation and steering of procurement, operations and support functions has been further developed towards greater transparency. Raisio's sales, production planning and product development processes have been updated, and our operations have been reorganised accordingly. Cost management has been promoted and targeted in relation to specific production facilities, for example.



## HEALTHY FOOD SEGMENT

### Financial development for April–June, continuing operations

The Healthy Food Segment's net sales totalled EUR 34.9 (35.1) million. Net sales in Northern Europe increased clearly, in Western Europe net sales decreased clearly and in Eastern and Central Europe net sales decreased significantly from the comparison period. Significant growth in net sales was achieved in the Northern European consumer markets, particularly from the sale of Elovena products. In Western Europe, sales of Benecol products in the UK declined due to high inflation and the resulting price competition, as well as the depressed state of the category as a whole.

The Healthy Food Segment's comparable EBIT amounted to EUR 4.3 (4.1) million, which accounted for 12.2 (11.7) per cent of net sales. EBIT was EUR 4.0 (4.1) million, which accounted for 11.4 (11.7) per cent of net sales. During the second quarter, marketing investments decreased significantly from the comparison period. In Northern and Western Europe, profitability remained stable throughout the review period.

### Financial development, January–June, continuing operations

The Healthy Food Segment's net sales totalled EUR 71.9 (70.7) million. Net sales increased clearly in Northern Europe, while in Western, Eastern and Central Europe they decreased significantly. Net sales exceeded those of the comparison period, even though the volumes of many brands decreased in comparison to the comparison period. During the reporting period, some of Raisio's brands remained at the same level or even increased their market share in terms of sales value. Of the brands in the focus of Raisio's strategy, particularly significant growth in net sales was achieved by the Elovena brand with its new product launches. During the reporting period, high inflation has eroded consumers' real purchasing power, as seen in lower retail sales figures and increased price competition in Europe. In the UK, the weakened position of consumers was most clearly reflected in the negative development of net sales during the review period. Price increases in consumer products implemented in the previous financial year due to strong cost inflation improved net sales and profitability.

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 43 per cent of net sales were generated from the sale of Benecol products in the Western European markets. Approximately 6 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 7.6 (6.8) million, which accounted for 10.6 (9.6) per cent of net sales. The Healthy Food Segment's EBIT amounted to EUR 7.3 (6.8) million, which accounted for 10.2 (9.6) per cent of net sales. During the first half of the year, marketing investments decreased significantly from the comparison period. During the review period, there was a fall in the purchase prices of grains essential for Raisio in Finland, which eased cost pressures and thus improved profitability, but the impact will be reflected in Raisio's cost structure with a long delay.

## Key figures for the Healthy Food Segment

		4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales	M€	34.9	35.1	71.9	70.7	143.0
Western Europe	M€	15.2	16.1	30.6	32.1	64.1
Northern Europe	M€	17.4	16.2	36.3	33.2	67.9
Eastern and Central Europe	M€	2.4	2.7	5.0	5.5	11.0
Comparable EBIT	M€	4.3	4.1	7.6	6.8	18.0
Comparable EBIT	%	12.2	11.7	10.6	9.6	12.6
EBIT	M€	4.0	4.1	7.3	6.8	18.0
EBIT	%	11.4	11.7	10.2	9.6	12.6
Net assets	M€	84.7	86.8	84.7	86.8	83.9

## Business reviews, April–June

### Western Europe

Net sales for the Western European operations amounted to EUR 15.2 (16.1) million. EBIT increased significantly from the comparison period.

Net sales for the Benecol business in the UK clearly declined from the level of the comparison period. EBIT increased significantly from the comparison period. This increase was mainly due to decreased sales and marketing costs. During the review period, the whole category of cholesterol-lowering products lost significant sales volume in the UK. In particular, the cholesterol-lowering yoghurt drinks category has significantly lost sales volumes, resulting in a decline in both the net sales and sales volumes of Benecol yoghurt drinks. Price pressures due to high cost inflation and subsequent price increases increased price competition between products and retailers. Among Benecol products, spreads lost distribution and suffered a drop in sales value as a result. During the review period, the number of households purchasing Benecol products and the sales volume to existing customers decreased slightly. Market share of Benecol products remained high despite the challenges.

In Ireland, both net sales and EBIT increased significantly compared to the comparison period. Sales and marketing investments made in the development of the distribution network over a number of years have been successful, and Benecol products have acquired new consumers within these markets. Successful market investments also helped sales volumes remain at the level of the comparison period in Ireland throughout the review period. In Belgium, net sales and EBIT remained at the level of the comparison period. There, challenges during the review period were caused by intensifying price competition in both spreads and yoghurt drinks.

### Northern Europe

Net sales for the Northern European operations amounted to EUR 17.4 (16.2) million. EBIT decreased clearly from the comparison period. This decrease was mainly due to increased sales and marketing costs. During the quarter, Raisio managed to increase its market share in Finland in terms of sales value. In Finland, the total

sales volume remained at the level of 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 around 20% compared to the comparison period. During the reporting period, the good net sales of the Elovena brand were boosted in particular by the drinks produced in the new production facility and the new products launched earlier in the financial year. Flakes and instant oatmeals also increased the value of sales significantly. During the reporting period, Torino, Nalle and Sunnuntai increased the value of sales. The difficulties in macaroni production in Finland increased the demand for domestic Torino pasta. The demand could only be met in part, as the replacement investment in the pasta line started in early summer at the Raisio mill and the new line are due to be completed by the end of August. In Benecol products, both net sales and profitability remained at the level of the comparison period. While the sales volumes and profitability of Benecol yoghurt drinks remained at a good level, the sales volumes of spreads decreased significantly with a slight decline in profitability.

The development in the sales volumes of plant proteins during the reporting period did not meet Raisio's expectations. In the plant protein market, the challenges during the review period 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. In the longer term, however, we believe that the growth prospects for plant-based eating both in Finland and internationally remain positive. In line with our strategy, Raisio's plant protein development programme will generate new innovations in the coming years, and 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 2.4 (2.7) million. Profitability declined significantly from the comparison period.

In Ukraine, net sales decreased significantly from the comparison period. EBIT decreased significantly. Despite Russia's invasion of Ukraine, business was kept running throughout the review 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.

In Poland, net sales remained at the level of the comparison period. Net sales increased slightly in absolute terms. During the reporting period, high inflation and the resulting intensified price competition in Poland put pressure on costs and volumes, which led us to successfully transfer the increased production costs to sales prices. The market share of Benecol spreads remained at the level of the early part of the year throughout 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 customer of 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

### Financial development for April–June, continuing operations

The Healthy Ingredients Segment's net sales decreased significantly from the comparison period to 26.1 (29.4) million. B2B sales of grain-based products remained at the level of the comparison period. Raisio's sales to both domestic and foreign bakeries and industrial and catering customers increased slightly. In line with our material efficiency objective, we either use the side streams generated in our production ourselves or sell them to partners. As production volumes fell, the sales value of the side streams of production also decreased significantly. Falling grain prices in the early part of the quarter reduced the supply of grains, resulting in a significant decrease in the sales value of Raisio's external grain trade, which is not part of Raisio's strategy.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 1.9 (1.4) million, which accounted for 7.2 (4.6) per cent of net sales. The Healthy Ingredients Segment's EBIT was EUR 1.9 (1.4) million, which accounted for 7.2 (4.6) per cent of net sales. During the review period, profitability in the Healthy Ingredients Segment remained at the level of the early part of the year. During the review period, Raisio continued to enhance its own production capabilities and update the commercial terms and conditions of the grain trade. In turn, the decrease in sales volumes and increased price competition weakened profitability.

### Financial development, January–June, continuing operations

The Healthy Ingredients Segment's net sales totalled EUR 54.6 (57.0) million. During the first half of the year, the domestic and foreign sales of grain products to bakeries and industrial and catering customers continued to grow significantly in relation to the comparison period. The sales value of oat products and gluten-free oat products also increased significantly during the early part of the year. In BtoB sales, the decrease in consumer purchasing power and increased price competition were reflected in significantly lower sales volumes across the board. However, no customer losses were seen during the review period. In the industrial sales of plant proteins, net sales were still low. Raisio's plant stanol ester deliveries to license partners decreased from the comparison period, primarily as a result of the timing of the deliveries.

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 3.7 (1.4) million, which accounted for 6.8 (2.4) per cent of net sales. The Healthy Ingredients Segment's EBIT was EUR 3.7 (1.4) million, which accounted for 6.8 (2.4) per cent of net sales. Profitability also improved significantly compared to the difficult comparison period. Grain prices, which had fallen during the reporting period in both Europe and Finland, rebounded towards the end of the second quarter as a result of a poor crop yield outlook. The fall in grain purchase prices in Finland during the review period will affect Raisio's cost structure with a long delay, and the cost level will remain higher than usual for a fairly long time. For other elements of production, such as packaging and logistics, some of these cost challenges also still persist.

## Key figures for the Healthy Ingredients Segment

		4–6/2023	4–6/2022	1–6/2023	1–6/2022	1–12/2022
Net sales	M€	26.1	29.4	54.6	57.0	115.7
Comparable EBIT	M€	1.9	1.4	3.7	1.4	3.4
Comparable EBIT	%	7.2	4.6	6.8	2.4	2.9
EBIT	M€	1.9	1.4	3.7	1.4	3.4
EBIT	%	7.2	4.6	6.8	2.4	2.9
Net assets	M€	121.1	118.3	121.1	118.3	118.4

## Business reviews, April–June

### BtoB sales of grain and plant protein products

The value of Raisio's plant-based product sales to Finnish bakeries and industrial and catering customers increased slightly. Profitability also improved significantly compared to the difficult comparison period. As a result of the good grain harvest in 2022, the high quality of grain contributed to production efficiency and yield, at the same time easing cost pressures. In the industrial sales of plant proteins, sales volumes were still modest, but the plant protein development programme has brought new promising oat-based products to the market, in addition to fava bean 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 decreased from the comparison period, primarily as a result of the timing of the deliveries. Profitability improved compared 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.

Uncertainty on international grain markets continued. The European crop outlook is generally normal, but the exceptionally long cold weather in the Baltic Sea region slowed down the start of the growing season, while drought has reduced crop yield expectations in Scandinavia, the Baltic States and Poland.

We had a good start to the growing season, and the sowing of grains was completed normally in good conditions. However, the long period of no rain after sowing clearly reduced yield expectations, and the crop outlook was poor at the end of the period.



In the second quarter, grain prices were on a downward trend and supply also fell as a result of the price development. In the second quarter, Raisio recorded an impairment of EUR 0.4 million related to grain trade inventories. However, the poor crop yield outlook caused prices to rebound in Finland as well.

## SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January–June totalled 10.6 (20.7) million. The value of share trading was EUR 25.7 (50.2) million, and the average share price was EUR 2.43 (2.43). The closing price on 30 June 2023 was EUR 2.05.

A total of 0.7 (0.6) million restricted shares were traded in January–June. The value of share trading was EUR 1.6 (1.6) million, and the average share price was EUR 2.42 (2.94). The closing price on 30 June 2023 was EUR 2.05.

On 30 June 2023, the company had a total of 37,855 (31 December 2022: 37,597) registered shareholders. Foreign ownership and nominee registrations accounted for 17.1 (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 June was EUR 326.3 (31 December 2022: 402.2) million and EUR 323.8 (31 December 2022: 399.2) million excluding the company's own shares.

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

At the end of the review period, the number of issued free shares was 129,056,994 while the number of restricted shares was 30,113,342. The shares represented 731,323,834 votes.

In the review period, a total of 10,068 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 2023 AGM.

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 1,213,654 free shares, or 0.94 per cent of all free shares and the votes they represent, and 0.76 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 Board of Directors has an authority to decide on the repurchase and/or the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. Similarly, the Board is authorised to decide on the share issues by disposing of up to 6,200,000 free shares and up to 1,250,000 restricted shares held by

the company, and by issuing a maximum of 10,000,000 new free shares. The authorisations will be valid until the end of the following Annual General Meeting and until 30 April 2024 at the latest. 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.

## **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 was 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.

A Stock Exchange Release concerning the decisions made by the AGM was published on 20 April 2023, in addition to which the decisions were described in the Interim Report for January–March.

## **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. The comparable figures of the 1 January–30 June 2022 period have been changed accordingly.

## **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 announced on 10 July 2023 that it had updated its financial outlook for 2023.

**New guidance for 2023:**

Raisio expects comparable net sales to be at or slightly below the previous year's level. Comparable profit is expected to increase from the previous year, to between EUR 21 and 23 million (EUR 18.4 million in 2022).

In Raisio, Finland 9 August 2023  
Raisio plc  
Board of Directors

**Enquiries:**

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The information in the Half-Year Report is unaudited.

The Finnish-language webcast concerning the H1 result will take place at 12 noon on 9 August 2023. Raisio's half-year report 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/q2-2023>.

Raisio's Interim Report for the third quarter of 2023 will be published on 1 November 2023.

## TABLE SECTION

### Consolidated income statement (M€)

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Net sales</b>	<b>52.7</b>	<b>55.5</b>	<b>109.1</b>	<b>108.7</b>	<b>220.8</b>
Cost of sales	-38.2	-42.4	-78.9	-83.2	-167.0
<b>Gross profit</b>	<b>14.5</b>	<b>13.2</b>	<b>30.2</b>	<b>25.5</b>	<b>53.8</b>
Operating income and expenses	-9.5	-8.7	-21.3	-19.6	-35.9
<b>EBIT</b>	<b>5.0</b>	<b>4.4</b>	<b>9.0</b>	<b>5.9</b>	<b>17.9</b>
Financial income	1.2	0.4	1.9	0.6	1.0
Financial expenses	-0.5	-1.7	-0.8	-3.1	-3.8
<b>Result before taxes</b>	<b>5.7</b>	<b>3.2</b>	<b>10.1</b>	<b>3.3</b>	<b>15.0</b>
Income taxes	-1.5	-0.2	-2.3	-0.4	-2.5
<b>Result for the period, continuing operations</b>	<b>4.2</b>	<b>3.0</b>	<b>7.7</b>	<b>2.9</b>	<b>12.5</b>
Result for the period, discontinued operations	-	-1.1	-0.3	-8.2	-7.7
<b>Result for the period</b>	<b>4.2</b>	<b>1.9</b>	<b>7.4</b>	<b>-5.3</b>	<b>4.8</b>
<b>Attributable to</b>					
<b>Equity holders of the parent company</b>	<b>4.2</b>	<b>1.9</b>	<b>7.4</b>	<b>-5.3</b>	<b>4.8</b>
<b>Earnings per share from the profit attributable to equity holders of the parent company (€)</b>					
Undiluted earnings per share	0.03	0.01	0.05	-0.03	0.03
Diluted earnings per share	0.03	0.01	0.05	-0.03	0.03
Undiluted earnings per share, continuing operations	0.03	0.02	0.05	0.02	0.08
Undiluted earnings per share, discontinued operations	0.00	-0.01	0.00	-0.05	-0.05

## Consolidated comprehensive income statement (M€)

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Result for the period</b>	4.2	1.9	7.4	-5.3	4.8
Other comprehensive income items					
<b>Items that will not be reclassified to profit or loss</b>					
Change in fair value of equity investments	0.0	0.0	0.0	0.7	0.6
Change in tax impact	0.0	0.0	0.0	-0.1	-0.1
Items that will not be reclassified to profit or loss, total	0.0	0.0	0.0	0.5	0.5
<b>Items that may be subsequently transferred to profit or loss</b>					
Change in value of cash flow hedging	-0.2	0.3	-0.6	0.8	1.5
Change in value of fair value hedging	-0.1	-	-0.1	-	-
Change in translation differences related to foreign companies	1.8	1.2	2.4	0.4	-2.5
Change in tax impact	0.1	-0.1	0.1	-0.2	-0.3
Items that may be subsequently transferred to profit or loss, total	1.6	1.5	1.8	1.0	-1.4
<b>Comprehensive income for the period</b>	<b>5.8</b>	<b>3.4</b>	<b>9.2</b>	<b>-3.7</b>	<b>3.9</b>
<b>Attributable to</b>					
<b>Equity holders of the parent company</b>	<b>5.8</b>	<b>3.4</b>	<b>9.2</b>	<b>-3.7</b>	<b>3.9</b>



## Consolidated balance sheet (M€)

ASSETS	30 June 2023	30 June 2022	31 December 2022
<b>Non-current assets</b>			
Intangible assets	34.6	34.9	33.5
Goodwill	48.1	48.5	47.0
Tangible fixed assets	91.9	93.8	91.7
Equity investments	3.0	3.1	3.0
Deferred tax assets	4.5	5.1	3.7
<b>Total non-current assets</b>	<b>182.1</b>	<b>185.4</b>	<b>179.0</b>
<b>Current assets</b>			
Inventories	43.2	40.5	42.8
Accounts receivable and other receivables	29.2	30.3	31.0
Financial assets at fair value through profit or loss	43.5	36.3	40.1
Cash and bank receivables	19.2	25.6	31.9
<b>Total current assets</b>	<b>135.1</b>	<b>132.7</b>	<b>145.8</b>
Assets classified as being held for sale*	-	7.3	7.1
<b>Assets</b>	<b>317.2</b>	<b>325.5</b>	<b>331.9</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>31 December 2022</b>
<b>Equity attributable to equity holders of the parent company</b>			
Share capital	27.8	27.8	27.8
Company shares	-2.8	-2.9	-2.9
Other equity attributable to equity holders of the parent company	225.2	229.9	238.0
Equity attributable to equity holders of the parent company	250.1	254.8	262.9
Non-controlling interests	-	-	-
<b>Total shareholders' equity</b>	<b>250.1</b>	<b>254.8</b>	<b>262.9</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	10.6	9.8	10.0
Provisions	0.5	-	-
Non-current financial liabilities	22.8	24.9	23.7
<b>Total non-current liabilities</b>	<b>33.8</b>	<b>34.7</b>	<b>33.7</b>
<b>Current liabilities</b>			
Accounts payable and other liabilities	29.7	30.1	31.1
Derivative contracts	0.5	0.1	0.1
Current financial liabilities	3.1	3.3	3.2
<b>Total current liabilities</b>	<b>33.2</b>	<b>33.4</b>	<b>34.4</b>
Debts and provisions related to assets being held for sale*	-	2.4	0.9
<b>Total liabilities</b>	<b>67.1</b>	<b>70.6</b>	<b>69.0</b>
<b>Shareholders' equity and liabilities</b>	<b>317.2</b>	<b>325.5</b>	<b>331.9</b>

\*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
<b>Shareholders' equity 1 January 2023</b>	<b>27.8</b>	<b>2.9</b>	<b>88.6</b>	<b>20.8</b>	<b>1.1</b>	<b>-2.9</b>	<b>-17.3</b>	<b>141.9</b>	<b>262.9</b>
<b>Comprehensive income for the period</b>									
Result for the period	-	-	-	-	-	-	-	7.4	<b>7.4</b>
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.0	-	-	-	<b>0.0</b>
Tax impact	-	-	-	-	0.0	-	-	-	<b>0.0</b>
Change in value of cash flow hedging	-	-	-	-	-0.6	-	-	-	<b>-0.6</b>
Change in fair value hedging	-	-	-	-	-0.1	-	-	-	<b>-0.1</b>
Change in translation differences related to foreign companies	-	-	-	-	-	-	2.4	-	<b>2.4</b>
Tax impact	-	-	-	-	0.1	-	-	-	<b>0.1</b>
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.6</b>	<b>0.0</b>	<b>2.4</b>	<b>7.4</b>	<b>9.2</b>
<b>Business activities involving shareholders</b>									
Dividends	-	-	-	-	-	-	-	-22.1	<b>-22.1</b>
Share-based payments	-	-	-	-	-	0.0	-	0.1	<b>0.1</b>
<b>Total business activities involving shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-22.0</b>	<b>-22.0</b>
<b>Shareholders' equity 30 June 2023</b>	<b>27.8</b>	<b>2.9</b>	<b>88.6</b>	<b>20.8</b>	<b>0.5</b>	<b>-2.8</b>	<b>-14.9</b>	<b>127.3</b>	<b>250.1</b>

Equity attributable to equity holders of the parent company

	A	B	C	D	E	F	G	H	I
<b>Shareholders' equity 1 January 2022</b>	<b>27.8</b>	<b>2.9</b>	<b>88.6</b>	<b>10.2</b>	<b>-0.6</b>	<b>-17.8</b>	<b>-14.8</b>	<b>184.4</b>	<b>280.7</b>
<b>Comprehensive income for the period</b>									
Result for the period	-	-	-	-	-	-	-	-5.3	-5.3
Other comprehensive income items									
Change in fair value of equity investments	-	-	-	-	0.7	-	-	-	0.7
Tax impact	-	-	-	-	-0.1	-	-	-	-0.1
Change in value of cash flow hedging	-	-	-	-	0.8	-	-	-	0.8
Change in translation differences related to foreign companies	-	-	-	-	-	-	0.4	-	0.4
Tax impact	-	-	-	-	-0.2	-	-	-	-0.2
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>	<b>0.0</b>	<b>0.4</b>	<b>-5.3</b>	<b>-3.7</b>
<b>Business activities involving shareholders</b>									
Dividends	-	-	-	-	-	-	-	-22.2	-22.2
Cancellation of own shares	-	-	-	10.6	-	14.5	-	-25.2	0.0
Share-based payments	-	-	-	-	-	0.4	-	-0.3	0.1
<b>Total business activities involving shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.6</b>	<b>0.0</b>	<b>14.9</b>	<b>0.0</b>	<b>-47.7</b>	<b>-22.2</b>
<b>Shareholders' equity 30 June 2022</b>	<b>27.8</b>	<b>2.9</b>	<b>88.6</b>	<b>20.8</b>	<b>0.5</b>	<b>-2.9</b>	<b>-14.3</b>	<b>131.4</b>	<b>254.8</b>

Equity attributable to equity holders of the parent company

	A	B	C	D	E	F	G	H	I
<b>Shareholders' equity 1 January 2022</b>	<b>27.8</b>	<b>2.9</b>	<b>88.6</b>	<b>10.2</b>	<b>-0.6</b>	<b>-17.8</b>	<b>-14.8</b>	<b>184.4</b>	<b>280.7</b>
<b>Comprehensive income for the period</b>									
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
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>	<b>0.0</b>	<b>-2.5</b>	<b>4.8</b>	<b>3.9</b>
<b>Business activities involving shareholders</b>									
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
<b>Total business activities involving shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.6</b>	<b>0.0</b>	<b>14.9</b>	<b>0.0</b>	<b>-47.3</b>	<b>-21.8</b>
<b>Shareholders' equity 31 December 2022</b>	<b>27.8</b>	<b>2.9</b>	<b>88.6</b>	<b>20.8</b>	<b>1.1</b>	<b>-2.9</b>	<b>-17.3</b>	<b>141.9</b>	<b>262.9</b>

## Consolidated cash flow statement (M€)

CASH FLOW FROM BUSINESS OPERATIONS	4–6/2023	4–6/2022	1–6/2023	1–6/2022	1–12/2022
<b>Result before taxes, continuing and discontinued operations</b>	<b>5.7</b>	<b>2.3</b>	<b>9.7</b>	<b>-5.7</b>	<b>6.5</b>
<b>Adjustments:</b>					
Planned depreciation and impairment	2.5	2.6	5.0	5.3	10.3
Financial income and expenses	-0.7	1.3	-1.1	2.5	2.8
Other adjustments	-0.1	0.3	-0.5	7.5	7.4
<b>Total adjustments</b>	<b>1.7</b>	<b>4.2</b>	<b>3.4</b>	<b>15.3</b>	<b>20.6</b>
<b>Cash flow before change in working capital</b>	<b>7.4</b>	<b>6.5</b>	<b>13.1</b>	<b>9.6</b>	<b>27.1</b>
<b>Change in working capital</b>					
Increase (-) / decrease (+) in current receivables	1.0	-0.9	2.6	-2.2	-0.1
Increase (-) / decrease (+) in inventories	0.9	-7.9	-0.5	-14.2	-10.3
Increase (+) / decrease (-) in current interest-free liabilities	0.9	-1.4	-2.4	-1.8	-1.8
<b>Total change in working capital</b>	<b>2.8</b>	<b>-10.1</b>	<b>-0.3</b>	<b>-18.2</b>	<b>-12.3</b>
<b>Cash flow from business operations before financial items and taxes</b>	<b>10.2</b>	<b>-3.6</b>	<b>12.8</b>	<b>-8.5</b>	<b>14.8</b>
Interest paid and payments for other financial expenses	-0.4	-0.2	-0.5	-0.2	-0.5
Dividends received	0.3	0.2	0.3	0.3	0.3
Interest received and other financial income	0.3	0.1	0.6	0.3	0.5
Other financial items, net	0.0	-0.1	0.1	-0.1	-0.5
Income taxes paid	-0.7	-1.2	-0.5	-1.5	-3.0
<b>Cash flow from business operations after financial items and taxes</b>	<b>9.8</b>	<b>-4.7</b>	<b>12.8</b>	<b>-9.9</b>	<b>11.6</b>
<b>CASH FLOW FROM INVESTMENTS</b>					
Investment in tangible assets	-1.9	-0.7	-3.2	-2.0	-3.7
Investment in intangible assets	-0.3	-0.3	-0.4	-0.4	-0.7
Proceeds from transfer of shares in Group companies adjusted by cash at the date of transfer	-	-2.8	7.4	-2.8	-2.8
Income from intangible and tangible assets	-	1.5	-	1.5	1.6
Proceeds from equity investments	0.0	0.4	0.0	0.4	0.4
Acquired businesses					
<b>Cash flow from investments</b>	<b>-2.2</b>	<b>-1.8</b>	<b>3.7</b>	<b>-3.3</b>	<b>-5.2</b>
<b>Cash flow after investments</b>	<b>7.6</b>	<b>-6.5</b>	<b>16.5</b>	<b>-13.1</b>	<b>6.4</b>
<b>CASH FLOW FROM FINANCIAL OPERATIONS</b>					
Other financial items, net	-	-0.1	-	-0.1	-0.1
Payments associated with the reduction of lease liability	-0.8	-0.7	-1.6	-1.4	-2.9
Repayment of non-current loans	-	-	-	-	-0.1
Dividends and other profit distribution paid to shareholders of the parent company	-22.1	-22.1	-22.1	-22.1	-22.1
<b>Cash flow from financial operations</b>	<b>-22.9</b>	<b>-22.9</b>	<b>-23.7</b>	<b>-23.7</b>	<b>-25.2</b>
<b>CHANGE IN LIQUID FUNDS</b>	<b>-15.3</b>	<b>-29.4</b>	<b>-7.2</b>	<b>-36.8</b>	<b>-18.8</b>
<b>Liquid funds at the beginning of the period</b>			<b>68.1</b>	<b>89.0</b>	<b>89.0</b>
Impact of changes in exchange rates			0.0	0.2	0.2
Impact of changes in the fair value of liquid funds			0.6	-2.4	-2.3
<b>Liquid funds at the end of the period</b>			<b>61.6</b>	<b>50.1</b>	<b>68.1</b>

## NOTES TO THE HALF-YEAR FINANCIAL REPORT

### Basic information

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

### Accounting principles and presentation of figures

Raisio plc's Half-Year Financial Report for January–June 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 Half-Year Financial Report.

The Half-Year Financial Report is shown in EUR millions for continuing operations unless otherwise stated.

### Management's judgement

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

Compared to the 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 available 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 first quarter of the review period 1 January–30 June 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 valuation of inventories requires management's assessment in determining obsolescence write-offs or resale prices. In the second quarter, Raisio recorded an impairment of EUR 0.4 million related to grain trade inventories.

### **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 1 January–30 June 2023**

The Raisio Group announced on 10 July 2023 that it had updated its financial outlook for 2023.

## 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€)

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Healthy Food					
Western Europe	15.2	16.1	30.6	32.1	64.1
Northern Europe	17.4	16.2	36.3	33.2	67.9
Eastern and Central Europe	2.4	2.7	5.0	5.5	11.0
Total Healthy Food	34.9	35.1	71.9	70.7	143.0
Healthy Ingredients	26.1	29.4	54.6	57.0	115.7
Other Operations	0.8	0.5	1.4	0.9	2.0
Sales between segments	-9.1	-9.4	-18.8	-19.9	-39.9
<b>Total net sales</b>	<b>52.7</b>	<b>55.5</b>	<b>109.1</b>	<b>108.7</b>	<b>220.8</b>

### EBIT by segment (M€)

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Healthy Food	4.0	4.1	7.3	6.8	18.0
Healthy Ingredients	1.9	1.4	3.7	1.4	3.4
Other Operations	-0.9	-1.0	-2.0	-2.3	-3.5
Interdivisional	0.0	0.0	0.0	0.0	0.0
<b>Total EBIT</b>	<b>5.0</b>	<b>4.4</b>	<b>9.0</b>	<b>5.9</b>	<b>17.9</b>

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

## Net assets by segment (M€)

	1-6/2023	1-6/2022	1-12/2022
Healthy Food	84.7	86.8	83.9
Healthy Ingredients	121.1	118.3	118.4
Other Operations and unallocated items	44.3	49.7	60.6
<b>Total net assets</b>	<b>250.1</b>	<b>254.8</b>	<b>262.9</b>

## Investments by segment (M€)

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Healthy Food	0.2	0.2	0.3	0.3	0.4
Healthy Ingredients	3.1	0.7	3.9	1.6	3.5
Other Operations	0.3	0.3	0.8	0.8	1.2
<b>Total investments</b>	<b>3.6</b>	<b>1.1</b>	<b>4.9</b>	<b>2.6</b>	<b>5.2</b>

## SALES REVENUE

### Revenue by country (M€)

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Finland	26.4	26.6	54.7	51.5	106.0
UK	12.3	13.5	24.9	27.0	53.5
Other	14.0	15.4	29.6	30.3	61.3
<b>Total net sales</b>	<b>52.7</b>	<b>55.5</b>	<b>109.1</b>	<b>108.7</b>	<b>220.8</b>

### Revenue by group (M€)

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Sales of goods	51.8	55.0	107.6	107.7	218.6
Sales of services	0.7	0.4	1.2	0.8	1.6
Royalties	0.1	0.1	0.3	0.3	0.6
<b>Total net sales</b>	<b>52.7</b>	<b>55.5</b>	<b>109.1</b>	<b>108.7</b>	<b>220.8</b>

## ACQUIRED BUSINESSES, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

### Acquired businesses

No businesses were acquired between 1 January and 30 June 2023.

No businesses were acquired between 1 January and 30 June 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–30 June 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€)

	1-6/2023	1-6/2022	1-12/2022
<b>Net sales</b>	<b>1.3</b>	<b>9.2</b>	<b>24.9</b>
Cost of sales	-1.6	-13.9	-27.9
<b>Gross profit</b>	<b>-0.4</b>	<b>-4.7</b>	<b>-3.1</b>
Operating income and expenses, net	-0.7	-0.9	-2.0
<b>EBIT</b>	<b>-1.0</b>	<b>-5.6</b>	<b>-5.1</b>
Financial income and expenses	0.0	-	-
<b>Result for the period before taxes</b>	<b>-1.0</b>	<b>-5.6</b>	<b>-5.1</b>
Income taxes	0.1	1.1	1.1
<b>Result for the period after taxes</b>	<b>-0.9</b>	<b>-4.5</b>	<b>-4.0</b>
Result of the transfer of discontinued operations after taxes	0.6		
<b>Result for the period from discontinued operations</b>	<b>-0.3</b>		
<b>Taxes on discontinued operations</b>			
Taxes on the result of discontinued operations	0.0		
Taxes on the transfer of discontinued operations	0.0		
<b>Taxes on discontinued operations, total</b>	<b>0.1</b>		

EBIT for the comparison periods 1 January–30 June 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

	1-6/2023	1-6/2022	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€)

	30 June 2023	30 June 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	0.3	0.1
Inventories	5.1	11.3	4.9
Accounts receivable and other receivables	1.2	4.6	2.3
Cash and bank receivables	0.2	-	-
<b>Total assets included in the group classified as held for sale / sold</b>	<b>8.6</b>	<b>18.5</b>	<b>9.6</b>
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	2.4	0.8
Other interest-bearing liabilities and cash pool	3.2	11.2	2.5
<b>Total liabilities included in the group classified as held for sale / sold</b>	<b>5.2</b>	<b>13.7</b>	<b>3.4</b>
<b>Total net assets included in the group classified as held for sale / sold</b>	<b>3.4</b>	<b>4.9</b>	<b>6.2</b>
Capital gain/loss on sold subsidiary shares	0.9		
Transaction expenses allocated to the divestment	-0.3		
<b>Profit impact on EBIT</b>	<b>0.6</b>		
Debt-free selling price of subsidiary shares	7.5		
Interest-bearing financial liability of divested subsidiary at the time of transfer	-3.2		
<b>Selling price of subsidiary shares</b>	<b>4.4</b>		
Selling price of subsidiary shares	4.4		
Net interest-bearing financial liability of divested subsidiary at the time of transfer	3.0		
<b>Sale of subsidiary shares adjusted for cash at the time of transfer</b>	<b>7.4</b>		
Cash flow from divestment including expenses	7.1		

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

	1–6/2023	1–6/2022	1–12/2022
Subsidiary divestments adjusted for cash at the time of transfer	7.4	-	-
Cash flow from business operations	-0.3	-9.9	-1.0
Cash flow from investments	0.0	-0.3	-0.3
<b>Cash flow in total</b>	<b>7.1</b>	<b>-10.1</b>	<b>-1.3</b>

### 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€)

	1-6/2022	1-12/2022
<b>Net sales</b>	<b>2.4</b>	<b>2.4</b>
Cost of sales	-2.0	-2.0
<b>Gross profit</b>	<b>0.4</b>	<b>0.4</b>
Operating income and expenses	-0.4	-0.4
<b>EBIT</b>	<b>0.1</b>	<b>0.1</b>
Financial income	0.0	0.0
<b>Result before taxes</b>	<b>0.1</b>	<b>0.1</b>
Income taxes	0.0	0.0
<b>Result for the period after taxes</b>	<b>0.1</b>	<b>0.1</b>
Result of the transfer of discontinued operations after taxes	-3.8	-3.8
<b>Result for the period from discontinued operations</b>	<b>-3.7</b>	<b>-3.7</b>
<b>Taxes on discontinued operations</b>		
Taxes on the result of discontinued operations	0.0	0.0
Taxes on the transfer of discontinued operations	-0.3	-0.3
<b>Taxes on discontinued operations, total</b>	<b>-0.3</b>	<b>-0.3</b>

## Earnings per share from the discontinued Russian consumer business

	1-6/2022	1-12/2022
Earnings per share, €	-0.02	-0.02

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

	30 June 2022	31 December 2022
Non-current assets	0.1	0.1
Inventories	0.4	0.4
Current receivables	0.8	0.8
Liquid funds	2.8	2.8
<b>Assets in total</b>	<b>4.0</b>	<b>4.0</b>
Current liabilities	0.4	0.4
<b>Total liabilities</b>	<b>0.4</b>	<b>0.4</b>
<b>Total net assets included in the group classified as held for sale / sold</b>	<b>3.6</b>	<b>3.6</b>
Accumulated translation differences	-1.4	-1.4
Capital gain/loss on the divested business including accumulated translation differences	-3.5	-3.5
Transaction expenses allocated to the divestment	0.0	0.0
<b>Profit impact on EBIT</b>	<b>-3.5</b>	<b>-3.5</b>
Debt-free selling price of shares and the Nordic brand	4.3	4.3
Net interest-bearing assets of divested subsidiary at the time of transfer	2.8	2.8
<b>Selling price of shares and the Nordic brand</b>	<b>1.5</b>	<b>1.5</b>
Selling price of shares and the Nordic brand	1.5	1.5
Net interest-bearing debt of divested subsidiaries at the time of transfer	2.8	2.8
<b>Russian subsidiary divestment adjusted for cash at the time of transfer</b>	<b>-1.3</b>	<b>-1.3</b>
<b>Cash flow from divestment including expenses</b>	<b>-1.3</b>	<b>-1.3</b>

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

	1-6/2022	1-12/2022
Subsidiary divestments adjusted for cash at the time of transfer	-2.8	-2.8
Cash flow from investments, Nordic brand name	1.5	1.5
Cash flow from business operations	1.4	1.4
<b>Cash flow impact in total</b>	<b>0.1</b>	<b>0.1</b>

### TANGIBLE RIGHT-OF-USE ASSETS (M€)

	30 June 2023	30 June 2022	31 December 2022
Acquisition cost at the beginning of the period	340.2	354.5	354.5
Translation differences	0.1	0.2	0.2
Additions, includes additions made in accordance with the IFRS 16 standard	4.5	2.5	4.8
Sales, decreases and transfers	-31.7	-1.7	-1.7
Assets classified as being held for sale	-	-17.5	-17.6
<b>Acquisition cost at the end of the period</b>	<b>313.0</b>	<b>338.0</b>	<b>340.2</b>
Accumulated depreciation and impairment at the beginning of the period	248.5	252.4	252.4
Translation differences	0.0	0.3	0.2
Sales, decreases and transfers	-31.6	-1.6	-1.7
Depreciation and impairment for the period	4.3	8.6	12.9
Assets classified as being held for sale	-	-15.3	-15.4
<b>Accumulated depreciation and impairment at the end of the period</b>	<b>221.2</b>	<b>244.3</b>	<b>248.5</b>
<b>Book value at the end of the period</b>	<b>91.9</b>	<b>93.8</b>	<b>91.7</b>

## LEASED RIGHT-OF-USE ASSETS (M€)

	30 June 2023	30 June 2022	31 December 2022
<b>Acquisition cost at the beginning of the period</b>	<b>32.1</b>	<b>31.4</b>	<b>31.4</b>
Translation differences	0.0	0.0	0.0
Increases	0.5	0.7	0.9
Divestment and other decreases	-0.4	0.0	0.0
Assets held for sale	-	-0.1	-0.1
<b>Acquisition cost at the end of the period</b>	<b>32.3</b>	<b>32.0</b>	<b>32.1</b>
<b>Accumulated depreciation and impairment at the beginning of the period</b>	<b>-5.5</b>	<b>-2.6</b>	<b>-2.6</b>
Translation differences	0.0	0.0	0.0
Accumulated depreciation of decreases and transfers	0.2	0.0	0.0
Depreciation for the period	-1.5	-1.5	-3.0
Assets held for sale	-	0.0	0.0
<b>Accumulated depreciation and impairment at the end of the period</b>	<b>-6.9</b>	<b>-4.1</b>	<b>-5.5</b>
Book value at the beginning of the period	26.6	28.7	28.7
<b>Book value at the end of the period</b>	<b>25.4</b>	<b>27.9</b>	<b>26.6</b>

The most significant item of right-of-use assets relates to the process equipment for the new production facility focusing on snacks and oat drinks.

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

	30 June 2023	30 June 2022	31 December 2022
Rental income	0.4	0.3	0.7
Depreciation for fixed assets	-1.5	-1.5	-3.0
Costs of short-term and low-value leases	0.0	0.0	0.0
Interest expenses related to leases	-0.2	-0.2	-0.4
<b>Total</b>	<b>-1.4</b>	<b>-1.4</b>	<b>-2.7</b>
<b>Outgoing cash flow resulting from leases</b>	<b>1.6</b>	<b>1.4</b>	<b>2.9</b>

## Lease liabilities (M€)

	30 June 2023	30 June 2022	31 December 2022
<b>Lease liabilities at the beginning of the period</b>	<b>26.7</b>	<b>28.8</b>	<b>28.8</b>
Translation differences	0.0	0.0	0.0
Increase in lease liabilities	0.5	0.7	0.9
Payments related to decrease of lease liabilities	-1.6	-1.4	-2.9
Assets held for sale	-	0.0	0.0
<b>Lease liabilities at the end of the period</b>	<b>25.6</b>	<b>28.1</b>	<b>26.7</b>
Non-current lease liabilities at the beginning of period	23.5	25.6	25.6
Non-current lease liabilities at the end of period	22.6	24.7	23.5
Current lease liabilities at the beginning of period	3.2	3.2	3.2
Current lease liabilities at the end of period	3.0	3.3	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 new production facility focusing on snacks and oat drinks.

## Provisions (M€)

	30 June 2023	30 June 2022	31 December 2022
At the beginning of the period	-	-	-
Increases in provisions	0.5	-	-
<b>At the end of the period</b>	<b>0.5</b>	<b>-</b>	<b>-</b>

## Related party transactions (M€)

	30 June 2023	30 June 2022	31 December 2022
Sales to key employees in management	1.0	0.8	1.9
Purchases from key employees in management	0.1	0.2	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€)

	30 June 2023	30 June 2022	31 December 2022
Contingent off-balance sheet liabilities			
Other liabilities	2.5	5.1	6.9
Guarantee liabilities on the Group companies' commitments	8.8	1.8	4.1
Commitment to investment payments	5.8	1.8	1.7

## Derivative contracts (M€)

	30 June 2023	30 June 2022	31 December 2022
Nominal values of derivative contracts			
Currency forward contracts	36.0	32.4	35.6
Currency options	11.3	18.1	8.1
Interest rate swap	14.0	15.0	14.5
Commodity derivatives	1.4	-	-

## 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 30 June 2023	Fair value 30 June 2023	Book value 31 December 2022	Fair value 31 December 2022
<b>Financial assets</b>				
Equity investments*)	3.0	3.0	3.0	3.0
Accounts receivable and other receivables	28.0	28.0	30.0	30.0
Investments recorded at fair value through profit or loss*)	42.4	42.4	38.7	38.7
Liquid funds	19.2	19.2	31.9	31.9
Derivatives*)	1.1	1.1	1.4	1.4
<b>Financial liabilities</b>				
Other loans	0.3	0.3	0.2	0.2
Lease liabilities	25.6	26.4	26.7	27.5
Accounts payable and other liabilities	19.8	19.8	21.8	21.8
Derivatives*)	0.5	0.5	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€)

	1-6/2023	1-6/2022	1-12/2022
Impairment for intangible and tangible fixed assets	-	4.1	4.1
Divestment losses/gains of subsidiary shares	-0.9	5.0	5.0
Capital gains and losses of fixed assets	-	-1.5	-1.5
Costs of share rewards	0.1	0.0	0.1
Provisions	0.5	-	-
Other	-0.1	-0.2	-0.3
<b>Total adjustments in cash flow statement</b>	<b>-0.5</b>	<b>7.5</b>	<b>7.4</b>

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€)

	1-6/2023	1-6/2022	1-12/2022
Acquisitions of fixed assets in total	-4.9	-2.9	-5.5
Payments for investments of earlier financial periods (change in liabilities)	1.3	0.5	1.1
Investments funded by lease commitments or other interest-bearing debt	-1.6	-1.4	-2.9
<b>Fixed asset acquisitions funded by cash payments</b>	<b>-5.2</b>	<b>-3.8</b>	<b>-7.3</b>
Capital gain and loss on fixed assets in the income statement or comprehensive income statement	0.0	1.8	1.8
Balance sheet value of disposed asset	0.0	0.1	0.1
<b>Consideration received from fixed asset divestments in the cash flow statement</b>	<b>0.0</b>	<b>1.9</b>	<b>1.9</b>

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

	1–6/2023	1–6/2022	1–12/2022
Capital gain or loss in the income statement excluding expenses allocated to the sale	0.9	-3.6	-3.6
Total net assets sold	3.4	3.6	3.6
Sales price	7.5	0.0	0.0
<b>Proceeds in the cash flow statement adjusted by cash at the date of transfer</b>	<b>7.4</b>	<b>-2.8</b>	<b>-2.8</b>

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

	31 December 2022	Cash flows	IFRS 16	Non-cash changes		30 June 2023
				Changes in exchange rates	Other change	
Non-current liabilities	0.2	-	-	-	-	0.2
Lease liabilities	26.8	-1.6	0.5	0.0	0.0	25.6
<b>Total liabilities for financing activities</b>	<b>27.0</b>	<b>-1.6</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>25.9</b>

## RECONCILIATIONS OF ALTERNATIVE KEY FIGURES

### Reconciliation of items affecting comparable EBIT, Raisio Group (M€)

		4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Comparable EBIT</b>		<b>5.7</b>	<b>4.4</b>	<b>9.9</b>	<b>5.9</b>	<b>18.4</b>
- Expenses related to restructuring	M€	-0.4	-	-0.4		-
- Expenses related to business expansion	M€	-0.2	-	-0.5	-	-0.5
Items affecting comparability, in total	M€	-0.7	-	-0.9	-	-0.5
<b>EBIT</b>	<b>M€</b>	<b>5.0</b>	<b>4.4</b>	<b>9.0</b>	<b>5.9</b>	<b>17.9</b>

### Reconciliation of items affecting comparable EBITDA, reconciliation to EBIT, Raisio Group (M€)

		4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Comparable EBITDA</b>	<b>M€</b>	<b>8.2</b>	<b>6.9</b>	<b>14.9</b>	<b>10.9</b>	<b>28.3</b>
+/- Items affecting EBIT	M€	-0.7	-	-0.9	-	-0.5
Items affecting comparability, in total	M€	-0.7	-	-0.9	-	-0.5
<b>EBITDA</b>	<b>M€</b>	<b>7.5</b>	<b>6.9</b>	<b>14.0</b>	<b>10.9</b>	<b>27.8</b>
+/- Depreciation	M€	-2.5	-2.5	-5.0	-5.0	-10.0
<b>EBIT</b>	<b>M€</b>	<b>5.0</b>	<b>4.4</b>	<b>9.0</b>	<b>5.9</b>	<b>17.9</b>

### Reconciliation of items affecting comparable EBIT, Healthy Food Segment (M€)

		4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Comparable EBIT</b>	<b>M€</b>	<b>4.3</b>	<b>4.1</b>	<b>7.6</b>	<b>6.8</b>	<b>18.0</b>
- Expenses related to restructuring	M€	-0.3	-	-0.3	-	-
Items affecting comparability, in total	M€	-0.3	-	-0.3	-	-
<b>EBIT</b>	<b>M€</b>	<b>4.0</b>	<b>4.1</b>	<b>7.3</b>	<b>6.8</b>	<b>18.0</b>

## Quarterly earnings of Group (M€)

	4-6/2023	1-3/2023	10-12/2022	7-9/2022	4-6/2022	1-3/2022
Net sales by segment						
Healthy Food	34.9	37.0	35.6	36.7	35.1	35.6
Healthy Ingredients	26.1	28.6	29.1	29.6	29.4	27.6
Other Operations	0.8	0.6	0.6	0.5	0.5	0.5
Interdivisional	-9.1	-9.8	-9.7	-10.3	-9.4	-10.5
<b>Total net sales</b>	<b>52.7</b>	<b>56.5</b>	<b>55.6</b>	<b>56.5</b>	<b>55.5</b>	<b>53.2</b>
EBIT by segment						
Healthy Food	4.0	3.3	4.5	6.6	4.1	2.7
Healthy Ingredients	1.9	1.8	1.8	0.2	1.4	0.0
Other Operations	-0.9	-1.2	-0.4	-0.7	-1.0	-1.3
Interdivisional	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total EBIT</b>	<b>5.0</b>	<b>4.0</b>	<b>5.9</b>	<b>6.2</b>	<b>4.4</b>	<b>1.5</b>
Financial income and expenses, net	0.7	0.4	0.3	-0.7	-1.2	-1.3
<b>Result before taxes</b>	<b>5.7</b>	<b>4.4</b>	<b>6.2</b>	<b>5.5</b>	<b>3.2</b>	<b>0.2</b>
Income taxes	-1.5	-0.9	-1.1	-1.0	-0.2	-0.2
<b>Group result</b>	<b>4.2</b>	<b>3.5</b>	<b>5.0</b>	<b>4.5</b>	<b>3.0</b>	<b>0.0</b>

	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
<b>Total net sales</b>	<b>53.8</b>	<b>50.8</b>	<b>49.9</b>	<b>45.5</b>
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
<b>Total EBIT</b>	<b>4.6</b>	<b>6.7</b>	<b>3.4</b>	<b>5.5</b>
Financial income and expenses, net	0.1	0.0	0.5	0.3
<b>Result before taxes</b>	<b>4.7</b>	<b>6.7</b>	<b>4.0</b>	<b>5.7</b>
Income taxes	0.3	-1.3	-0.8	-1.2
<b>Group result</b>	<b>4.9</b>	<b>5.4</b>	<b>3.1</b>	<b>4.5</b>

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

		4-6/2023	1-3/2023	10-12/2022	7-9/2022	4-6/2022	1-3/2022
<b>Net sales</b>	<b>M€</b>	<b>41.7</b>	<b>44.7</b>	<b>43.4</b>	<b>43.6</b>	<b>42.3</b>	<b>42.5</b>
Benecol® and plant stanol ester solutions	M€	26.9	27.8	28.8	28.2	28.4	28.4
Value-added oat products and ingredients	M€	13.7	15.1	13.1	13.7	12.2	12.3
Plant-based products	M€	1.2	1.7	1.5	1.6	1.7	1.8

### KEY FIGURES

	30 June 2023	30 June 2022	31 December 2022
Net sales, M€	109.1	108.7	220.8
Change in net sales, %	0.4	13.9	10.4
EBITDA, M€	14.0	10.9	27.8
Comparable EBITDA, M€	14.9	10.9	28.3
Depreciation and impairment, M€	5.0	5.0	10.0
EBIT, M€	9.0	5.9	17.9
% of net sales	8.2	5.4	8.1
Comparable EBIT, M€	9.9	5.9	18.4
% of net sales	9.1	5.4	8.3
Result before taxes, M€	10.1	3.3	15.0
% of net sales	9.2	3.1	6.8
Return on equity, %, continuing operations	6.0	2.2	4.6
Return on invested capital, ROIC, %	6.5	-4.3	2.0
Comparable return on invested capital, ROIC, %	7.1	-1.6	4.9
Return on invested capital, ROIC, %, continuing operations	6.7	2.5	3.7
Comparable return on invested capital, ROIC, %, continuing operations	7.4	2.5	5.6
Interest-bearing financial liabilities at end of period, M€	25.9	28.3	27.0
Net interest-bearing financial liabilities at end of period, M€	-35.7	-21.7	-41.2
Working capital	42.9	41.4	44.0
Equity ratio, %	78.9	78.3	79.2
Net gearing, %	-14.3	-8.5	-15.7
Investments, M€	4.9	2.6	5.2
% of net sales	4.5	2.4	2.3

	30 June 2023	30 June 2022	31 December 2022
R&D expenses, M€	1.5	1.4	2.9
% of net sales	1.4	1.3	1.3
Average personnel	349	354	342
Earnings per share, €	0.05	-0.03	0.03
Earnings per share, €, continuing operations	0.05	0.02	0.08
Comparable earnings per share, €, continuing operations	0.05	0.02	0.08
Earnings per share, €, discontinued operations	0.00	-0.05	-0.05
Cash flow from business operations after financial items and taxes, M€	12.8	-9.9	11.6
Cash flow from business operations per share after financial items and taxes, €	0.08	-0.06	0.07
Equity per share, €	1.58	1.61	1.66
Average number of shares during the period, in 1,000s			
Free shares	127,865	128,001	127,935
Restricted shares	30,215	30,704	30,705
Total *	158,080	158,705	158,640
Average number of shares at end of period, in 1,000s			
Free shares	127,843	129,232	128,012
Restricted shares	30,113	30,704	30,701
Total *	157,957	159,936	158,713
Market capitalisation of shares at end of period, M€			
Free shares	262.1	248.3	318.7
Restricted shares	61.7	70.9	80.4
Total *	323.8	319.2	399.2 *
Share price at end of period			
Free shares	2.05	1.94	2.49
Restricted shares	2.05	2.31	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), %	$\frac{\text{Result after taxes}}{\text{Operating cash* + net working capital + non-current assets}} \times 100$ (*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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