RAISIO

RAISIO PLC

ANNUAL REVIEW AND CORPORATE RESPONSIBILITY REPORT

2023

FOOD FOR HEALTH, HEART AND EARTH

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

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

NUMBER OF EMPLOYEES AROUND
350

ESTABLISHED IN
1939

PRODUCTION FACILITIES
5

EMPLOYEES IN
7
COUNTRIES

Contents

PART OF CONSUMERS' DAILY LIVES FOR 85 YEARS

The food company Raisio is celebrating its 85th anniversary. What started as a mill in February 1939 has grown into an international food industry company, with well-known and beloved brands such as Benecol®, Elovena® and Härkis®, which are part of the daily lives of millions of consumers.

Although the company's 85-year history has held many stages, Raisio recognised the food transition and the potential of plant-based food as early as 20 years ago, when it started to focus on food and leave other sectors behind. Even then, the company recognised that a portfolio of products that promotes consumer well-being provides an excellent basis for responsible business. By paying close attention to consumer needs, the company has changed its product range over the years to respond to global consumer trends. Some twenty years ago, our systematic responsibility work also began to take shape.

As the company celebrated its 80th anniversary in 2019, the activities had gained further clarity, and both the current purpose and the strategy with its responsibility programme have remained clear in the minds of all employees.

Over the decades, the company's product range has included hundreds of products and brands, and today we are focusing on the ones that consumers have loved for decades. One of our oldest brands is Sunnuntai®, which dates back to the 1960s. It is thought to take its name, which means Sunday, from the fact that the company's first wheat mill began operating on Sunday 25 October 1942. Even older than the Sunnuntai® brand is Elovena®, a brand known to all Finns, with Elovena® oat products having been produced since 1925. Originally created by Karjalan Mylly in Vyborg, Elovena® passed on to Vaasan Höyrymylly Osakeyhtiö and finally to the Raisio Group in the 1990s. Benecol® is the company's best-known brand internationally. The cholesterol-lowering plant stanol ester used in Benecol® products is Raisio's own innovation and a pioneer in cholesterol-lowering products. Benecol® products have been on the market for almost 30 years. Today, Raisio's product range also includes another Finnish innovation, Härkis®. It too was born out of a passion for healthy food and a love of Finnish ingredients. It found its way to Raisio through an acquisition to complement our vision for the future of plant-based eating.

At Raisio, we see the food transition and plant-based food as a source of opportunities, creating inspiration and growth for the whole of Finland. That is why we have made significant investments in recent years and increased our own growth potential.

Throughout our long history, we have acted as a link between primary production and trade, refining Finnish agricultural raw materials into the products of brands valued by consumers around the world. Our focus is on healthy and responsibly produced food, with an emphasis on well-being, healthiness, good taste and sustainable development. We make food from the heart, with the aim of bringing health to ourselves and the Earth.

RAISIO AT A GLANCE

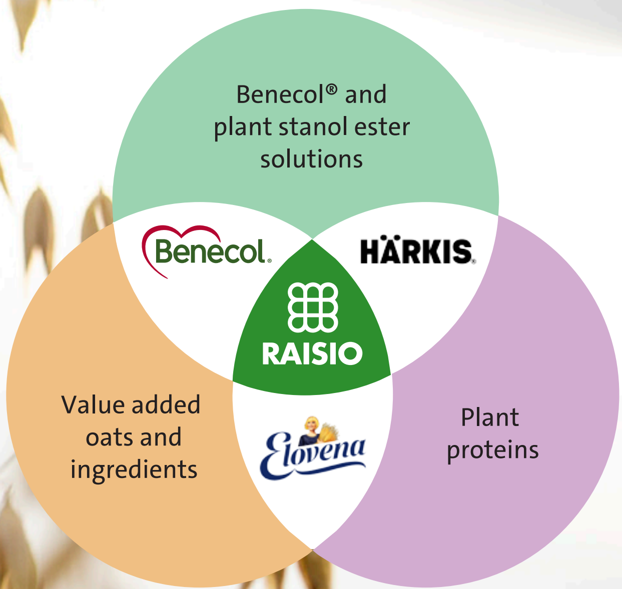
Raisio is an international company specialised in healthy, responsibly produced food and ingredients. Our well-known and beloved brands, such as Benecol®, Härkis® and Elovena®, are part of everyday life in millions of households. We have healthy food colleagues in seven countries and export to more than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

All five of our production facilities are located in Finland. Our key offices are in Finland, the UK, Ireland, Poland and Ukraine. The Group's head office is in Raisio, Southwest Finland. Raisio plc's shares are listed on Nasdaq Helsinki Ltd. At the end of 2023, Raisio plc had 38,340 registered shareholders.

We work on heart-healthy and plant-based products, and the ongoing food transition is a source of inspiration and opportunity for us. The growth of our business is based on three focus areas: Benecol® products and plant stanol ester solutions, plant proteins, and oat-based consumer products and oats as an industrial raw material. We have invested in plant-based foods, and these investments allow us to offer consumers the opportunity to make increasingly sustainable food choices. Our most important goal for the 2022–2025 strategy period is to grow while boosted by the new capabilities and product categories made possible by investments realised in recent years. Our goal is to expand across Europe and significantly strengthen our range of plant-based products.

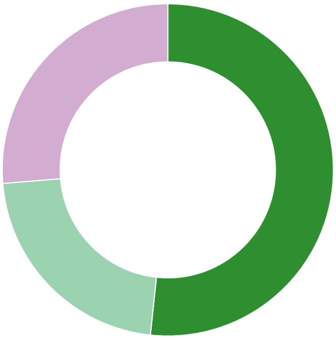
We will export to new countries and expand our product range in countries where we are already active.

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



KEY FIGURES

CONTINUING OPERATIONS



Group net sales distribution by market area:

2023	2022	2021
Finland **51.7%**	48.0%	42.4%
UK **22.0%**	24.2%	26.5%
Other countries **26.3%**	27.8%	31.1%

		2023	2022	2021
Net sales	M€	219.5	220.8	200.0
Change in net sales	%	-0.6	10.4	7.7
Comparable EBIT	M€	22.7	18.4	21.3
Comparable EBIT as a percentage of net sales	%	10.4	8.3	10.6
Comparable earnings per share	€	0.13	0.08	0.12
Cash flow from business operations after financial items and taxes, continuing operations	M€	37.0	11.2	28.4
Equity ratio	%	80.4	79.2	79.3
Net gearing	%	-21.7	-15.7	-21.4
Net interest-bearing debt	M€	-56.5	-41.2	-60.0
Investments	M€	9.0	5.2	23.0
Comparable return on invested capital (ROIC)	%	9.2	5.6	8.4
Dividend/share		0.14*	0.14	0.14

*Board of Directors' proposal: dividend EUR 0.14 per share, including an extra dividend of EUR 0.03 per share

Comparable EBIT in 2023:

€22.7 MILLION

18.4 (2022) | 21.3 (2021)

Comparable return on invested capital (ROIC) in 2023:

9.2%

5.6 (2022) | 8.4 (2021)

Strong financial position enables shareholder rewards

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

RESPONSIBILITY

Raisio's Good Food Plan

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

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

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

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

THE AREAS OF OUR RESPONSIBILITY PROGRAMME:

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

From the CEO

Systematic responsibility work delivers results

You are reading Raisio's 20th Corporate Responsibility Report. Raisio has been carrying out responsibility work for even longer than this, as we reviewed our responsibility work in environmental reports before 2004. The systematic responsibility work that is woven into our everyday activities is delivering results step by step, but as we look back to 2023, the results seem greater than before: much has fallen into place in our Good Food Plan, with targets set for 2022–2025.

In line with our goal, we now have energy solutions in all of our own production facilities that allow us to produce steam and heat with renewable energy. We also buy carbon-neutral electricity. For 2023, we cannot yet say that our production has been 100% carbon neutral, but we are already very close at 99.7%. Indeed, we can expect to see a round figure in the 2024 report. Finding these energy solutions has required a great deal of work and, above all, close and productive cooperation with good partners. Many thanks to everyone for this!

We have started well ahead of time to prepare for the upcoming EU directives and standards on sustainability reporting, which will set requirements for both our business operations and operational data. The new directives will drive us to look at our activities and their impact more comprehensively throughout the value chain.

One example of our preparation is our project on human rights risks in the supply chain, which aimed to identify more comprehensively the human rights risks in our supply chain so that we can assess them and develop an action plan to manage them. This project will continue in 2024. At Raisio, we are committed to supporting and implementing the core values related to human rights, working life principles, the environment and anti-corruption in our sphere of influence. Through our responsibility work, we also support the UN's Sustainable Development Goals, such as responsible consumption, health and well-being, sustainable industry and water body health.

Pekka Kuusniemi
CEO, Raisio plc

Sustainable Development Goals

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

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

HIGHLIGHTS FROM 2023

100%
of our consumer packaging is recyclable

Environmentally Friendly Packaging

- The caps on our drink containers will stay attached to the packaging, in line with the forthcoming EU directive.
- We signed the Green Deal on reducing the consumption of single-use plastic food containers.

99.7%
of the energy we used in 2023 was carbon neutral

Environment & Climate Action

- We have found carbon-neutral solutions for all of our own production facilities.
- Our goal in material efficiency is to produce more from less, while respecting the environment.
- Our Scope 3 work is progressing: we have started collecting agronomic data to determine the carbon footprint of the oats we use.

83%
of our products are healthy alternatives in their own categories

Healthy Food

- Our criteria for healthy food are in line with the new Nordic nutrition recommendations.
- We are actively involved in projects that promote the mainstreaming of plant-based food.

93%
of the raw materials we used were plant-based

Sustainable Food Chain

- We undertook a project to more comprehensively identify and assess human rights risks in our supply chain and to develop an action plan to manage them.
- We have improved the traceability of our raw materials.

eNPS 39.5

Food Professionals

- Company culture, safety culture and job satisfaction have developed positively.
- The Employee Net Promoter Score rose to 39.5 in the year-end employee survey, compared to 19 in the previous survey.

AIMING FOR EASILY RECYCLABLE PACKAGING

For packaging, the key themes for 2023 were the reduction of single-use, single-serve packaging and plastics, and related upcoming new regulations. As the regulation on packaging is constantly evolving, it is essential to monitor these changes. This monitoring is also important from a cost perspective, as the costs arising from packaging waste will increase in the future.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The EU's new Single-use Plastics (SUP) Directive will require plastic caps to remain attached to the packaging in the future. This requirement for drink packaging, which will come into force in July 2024, aims to reduce the accumulation of plastic caps in the environment. This is an important target, as around 80% of the litter found on EU beaches is plastic.

For Raisio's products, the SUP Directive particularly affects our drink packages of all sizes. We have worked towards implementing the objectives of the SUP Directive and have made changes in our production to be able to put the new caps on our drink products ahead of schedule. Consequently, in 2023, we introduced caps that will remain attached to the drink containers, as required by the Directive.

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

ENVIRONMENTALLY FRIENDLY PACKAGING – PRIMARY GOALS FOR 2022–2025

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

RECYCLABLE CONSUMER PACKAGING

2023
100%

2022
97%

2021
97%

One of the objectives of our sustainability programme is to encourage consumers to recycle packaging. This is why our packaging always includes clear verbal instructions on how to recycle the packaging, in addition to the recycling labels. Our drink containers are now easy to recycle, as the whole package, including the cap, can be recycled as cardboard.

Signing the Green Deal

Raisio has signed the Green Deal on reducing the consumption of single-use plastic food containers. The important goals of the Green Deal fit well with the long-term sustainability work that we have been carrying out for years to reduce the amount of packaging plastic and materials.

The Green Deal is based on the EU Directive on the reduction of the impact of certain plastic products on the environment. Its aim is to reduce the amount of plastic litter in the environment, especially on seashores, and to promote a circular economy. The aim is to reduce the use of single-use food packaging made entirely or partly from plastic, the contents of which are ready to be consumed directly from the container.

We are committed to exploring both alternatives to single-use plastic food containers and packaging solutions that contain less plastic than the current level. We are committed to educating our employees and communicating to consumers about the environmental impact of single-use packaging, alternative solutions, recycling options and litter prevention.

The Green Deal on reducing the consumption of single-use plastic food containers only applies to products that are sold individually, are consumed directly from the container and do not need to be prepared by the consumer before consumption, meaning that it only applies to a very small part of Raisio's product range. Therefore, we will continue our long-standing work on material efficiency in addition to the Green Deal.

Solutions to reduce the amount of plastic

We are constantly working to reduce the amount of packaging material and plastic used in our products. However, plastic cannot be eliminated for all products: packaging for liquid products and spreads requires a small amount of plastic to ensure that the packaging can withstand both moisture and grease, and to keep the product in perfect condition. One of the key challenges related to packaging materials is that consumers' opportunities to recycle packaging materials for consumer products varies from market to market. We are trying to find packaging options that can be recycled in all markets.

In 2023, Härkis® products received new packaging that uses 85% 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. The wrapping of Elovena® snack biscuits was replaced by a material suitable for cardboard recycling in 2023. The new packaging reduces the amount of plastic we use.

The amount of packaging material per tonne of product was 59.2 kg for consumer packaging and 21 kg for industrial packaging.

PACKAGING MATERIALS IN CONSUMER PRODUCTS

	2023	2022	2021
Cardboard and paper	50.68%	50.69%	57%
per tonne of product			
Plastic	48.59%	48.86%	43%
per tonne of product			
Metal	0.73%	0.45%	-
per tonne of product			

Our packaging choices are guided by the quality and shelf life of the product, the recyclability of the packaging and the minimisation of the amount of plastic.

AIMING TO PROVIDE HEALTHY FOOD TO EVEN MORE PEOPLE

Our goal is to keep creating better plant-based and heart-healthy products so that eating healthily and within the Earth's ecological capacity can be a pleasure. We constantly monitor developments in nutritional science and use the latest information to develop our products.

3 GOOD HEALTH AND WELL-BEING

In summer 2023, the new Nordic nutrition recommendations were published. Raisio's strategy is well in line with the recommendations, which urge people to add more plant-based foods in their diets. According to the new Nordic recommendations, the amount of vegetables should be further increased and the role of legumes in people's diets should be greater.

To support product development, we have defined healthiness criteria for all our product categories. The criteria take into account the nutrients essential for health in each category. Comparing our criteria with the new Nordic nutrition recommendations, we found that they were already in line with the new recommendations. We will continue to follow developments in nutritional science and nutrition recommendations.

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

HEALTHY FOOD
– PRIMARY GOALS FOR 2022–2025

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

Tasty and healthy convenience foods

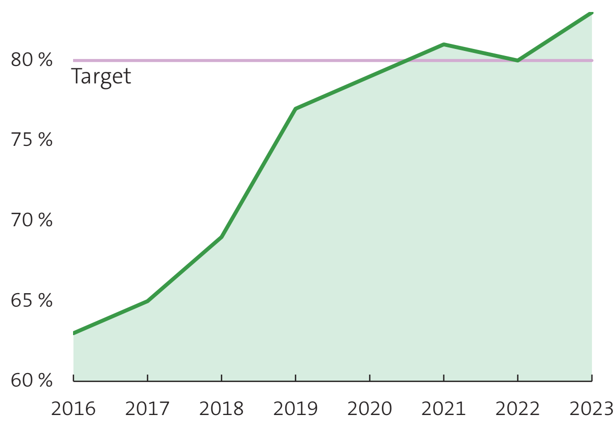
In 2023, we introduced tasty plant protein products in the convenience food category as well: Härkis® Oat Balls and Härkis® Oat Mince Bolognese offer an easy way to add tasty plant-based food to your diet.

83% of products healthy alternatives in their categories

When we started to systematically assess our products from a health perspective in 2016, 63% of our consumer products were healthy alternatives in their respective product categories. The product portfolio has been systematically developed to be even healthier; at the end of 2023, 83% of our consumer products were healthy. Our aim is to maintain this level and continue to ensure that at least 80% of our consumer products are healthy. This objective is also in line with the commonly used 80/20 rule: the majority of the diet should be healthy, but occasional variations are allowed and there is no need to aim for absolutes.

In 2023, 88% of the new products we launched met our criteria for healthy products.

HEALTHY CONSUMER PRODUCTS



Pro Vege ry – united for plant-based food

A food association, Pro Vege ry, was established in Finland in November, with the purpose of promoting the development and growth of plant-based food. In addition to Raisio, the association's founding members include other food companies and operators in the industry, as well as Finland's largest grocery chains, Kesko, SOK and Lidl. For Raisio, being part of the association is first and foremost about implementing its strategy and making plant-based food more mainstream.

Pro Vege focuses on increasing the share of plant-based foods in the Finnish food system. The key objective is to make plant-based food attractive to as many people as possible. The association highlights the links between the food system and climate change, biodiversity loss, food culture and health issues.

Raisio involved in the Hiililounas project

For us, promoting a healthy and climate-friendly diet is also about developing recipes, as both professional kitchens and consumers are looking for easy ways to prepare plant-based food.

We are involved in the Hiililounas project, which produces a knowledge base on the carbon footprint of domestic plant proteins and develops nutritionally balanced lunch options with a lower climate impact. In addition to the management of carbon emissions, the protection of biodiversity is important for the well-being of nature and a sustainable future. Scientific and reliable carbon footprint data is seen as a way to increase the use of local plant proteins in catering services and help consumers make responsible food choices.

The project has been implemented in cooperation with the participating companies. The main funder of the Hiililounas project is the Rural Development Programme for Mainland Finland of the Southwest Finland ELY Centre. The project is co-funded by companies and partners committed to the project.

The granola and muesli category is often seen as a healthy category in itself, even though shops offer many products in this category that are high in sugar or contain poor-quality fats. With Elovena® granola products, we wanted to bring healthy alternatives to this product category.

Certification and continuous improvement

All 2023 certification audits were carried out systematically and on schedule, and the findings of the audits were addressed with corrective actions within the given time frame. In all factories, only minor irregularities were found during food safety certification audits.

All of our BRC-certified production facilities are rated A or better.

During 2023, there were no public recalls, i.e. withdrawals from the market after the product had already reached consumers. Individual partial withdrawals of products in warehouses, for example, were carried out due to deviations detected during self-monitoring.

We have been focusing on promoting a culture of food safety in line with a five-year plan drawn up for this purpose. Our plan emphasises employee training, employee involvement and the clarification of objectives. Our efforts in 2023 included the development of reporting on quality observations and the introduction of 'quality chats.' The quality chats are sessions of about 15 minutes where teams go through a specific topic or practice related to quality, product safety or operational practices.

CERTIFICATIONS OF RAISIO'S PRODUCTION SITES

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

Raisio's criteria for healthy food

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

TOWARDS A UNIFIED COMPANY CULTURE

In 2023, our ‘In the Heart of Raisio’ training course set out to find the core of what it means to be a Raisio employee and the cornerstones of our culture – the things that our employees consider to be most important. The aim has been to clarify unified ways of working, provide tools for everyday activities and bring people together to share ideas and experiences.

10 REDUCED INEQUALITIES

We have continued our journey of change that started in 2021. The aim of this journey is to strengthen our shared, new company culture and develop unified ways of working to support our strategy in practice.

During the year, almost all of our employees have participated in our ‘In the Heart of Raisio’ training sessions, which have focused on values and leadership principles. Based on the ideas that our employees generated during the training sessions, we have summed up Raisio’s company culture assets: we enjoy coming to work, we can only succeed together and we are constantly renewing and developing ourselves. We will continue to strengthen and develop these assets and themes in the future.

FOOD PROFESSIONALS
– PRIMARY GOALS FOR 2022–2025

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

Job satisfaction is at a good level

The employee survey conducted at the end of 2023 shows a positive development in company culture and job satisfaction compared to the employee survey conducted in 2022. Overall, job satisfaction at Raisio is good.

The response rate, which was already high before, now reached a remarkable 91 per cent. The exceptionally high response rate reflects our employees’ commitment. Our employees’ commitment and willingness to be involved in developing the company’s practices are also reflected in the amount of open feedback: we received as many as 1,116 comments in the survey. The number of respondents was 294.

According to the results, Raisio’s strength lies in the work of our supervisors, which is highly rated by the employees. Our employees feel that they are given sufficient responsibility and freedom to carry out their tasks, and the mutual trust between supervisors and teams is also good. Raisio’s Employee Net Promoter Score (eNPS) rose to 39.5, up from 19 in the previous survey. Although the eNPS should be viewed critically, it is well in line with the other results of the survey.

The results of the survey show that Raisio's employees are proud of the company's products and brands: the vast majority of employees are likely to recommend the company's products. Of the respondents, 79% gave positive answers, 18% were passive and 3% were critical.

The 2023 employee survey asked for the first time about satisfaction with the company's hybrid working practices. Employees who work in positions that allow for these practices are generally satisfied with them. In most positions that allow for a hybrid working model, employees work remotely 2–3 days a week. The statements that received the most critical responses were ‘we have enough time to improve and develop things’, ‘we are not afraid to make mistakes’, ‘we are open and curious about new things’ and ‘cooperation between teams and countries is working well’. However, even these had an average score of 6.4 or above, on a scale of 1–10.

eNPS
39.5%

Our employees in figures

The Raisio Group's continuing operations employed 338 people at the end of 2023 (2022: 344, 2021: 388).A total of 13 (2022: 14, 2021: 19) per cent of employees worked outside Finland. We report continuing operations in the figures, and therefore the headcount figures for 2023 and 2022 no longer include the employees of Raisioaqua: preparations to sell Raisioaqua Ltd were launched in 2022, and it was sold in 2023. The 2021 figure has not been changed to be comparable.

49% of employees are covered by collective agreements. Collective agreements do not cover directors or senior salaried employees. Senior salaried employees have a separate agreement with the employer.

Raisio's wages and fees for continuing operations in 2023 totalled EUR 26.2 (2022: 24.6, 2021: 27.4) million including other personnel expenses.

Diversity, equity and inclusion

One of the primary goals of our responsibility programme is to support diversity, equity and inclusion, and to achieve this, we have launched work to create a Diversity, Equity & Inclusion Plan.

In 2023, we conducted a self-assessment to determine where our company stands on these issues. Only then can we move forward with drawing up a plan and defining objectives. In 2024, this work will continue in the DEI working group that we have set up.

EMPLOYEE DATA	2023*	2022*	2021
Employee turnover (%)	10.5	13.4	9.3
New employees (HC)	40	55	42
in Finland	32	41	32
in other countries	8	14	10
Leavers (HC)***	31	37	30
in Finland	22	25	28
in other countries	9	12	2
Accidents (LTI1)	5	4	12
Accident frequency / million working hours	10**	6	19
Proactive work safety measures	1,197	904	451
Sickness absences of theoretical working hours (%)	2.7	3.6	2.2
Appraisal and development discussions (%)	73.8	81.1	95.9
The CEO-to-average-worker pay ratio, excluding other personnel expenses and fees	9.8:1	9.5:1	9.5:1

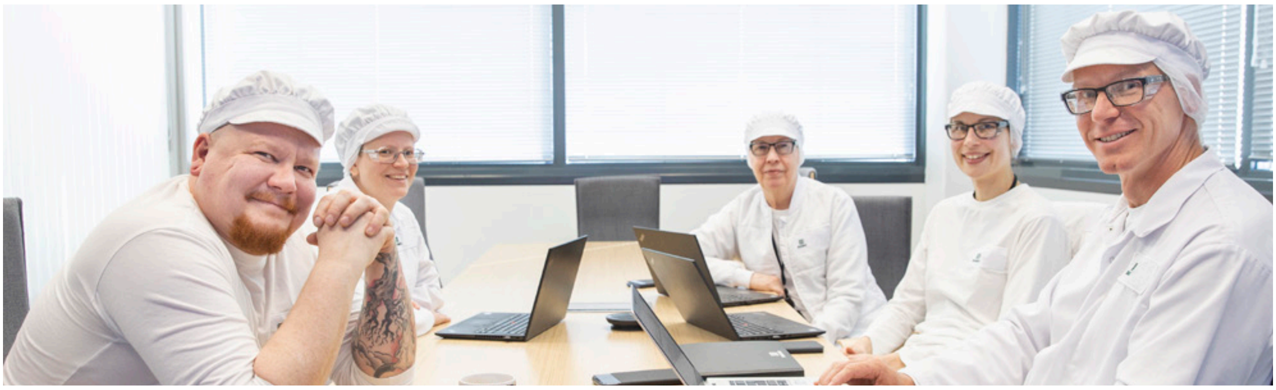
LTI1 (Lost time injury 1) includes injuries that have resulted in either one or more days of absence. The figure for proactive work safety measures includes safety observations, near misses, safety talks, work risk and hazard assessments, and safety rounds.

*2022 and 2023 figures include only continuing operations, not Raisioaqua's figures.

**The figure is not comparable because the calculation method for hours worked has changed and the cumulative number of hours worked is therefore significantly different. In 2022, the hours worked were calculated mainly in theoretical hours, in 2023 as actual hours worked.

***The figure includes those who have resigned by their own request and those who have retired.

The eNPS and the figures in the tables of the Food Professionals section have been assured. You can find EY's independent assurance report at the end of the responsibility section.



RAISIO GROUP EMPLOYEES AT THE END OF THE YEAR

	2023				2022				2021			
Headcount	Women	Men	Unknown	Total	Women	Men	Unknown	Total	Women	Men	Unknown	Total
number of employees	186	152		338	192	152		344				388
average age of employees*	43.7	47.3		45.3				44.8				45.6
Under 30*	17	10		27								
30–50*	110	72		182								
Over 50*	59	70		129								
permanent employees	180	148		328	178	146		324				368
fixed-term employees	6	4		10	14	6		20				20
employees called in as needed (zero-hour contract)	7	5		12	1	3		4				
full-time employees	179	146		325	185	147		332				373
part-time employees	7	6		13	7	5		12				15
managerial positions	37	37		74	31	37		68				67
Executive Committee	4	4		8	4	4		8				8
Board of Directors	2	4		6	2	3		5				5

* Age distribution has not been reported in previous years.

EMPLOYEES AT THE END OF THE YEAR BY COUNTRY

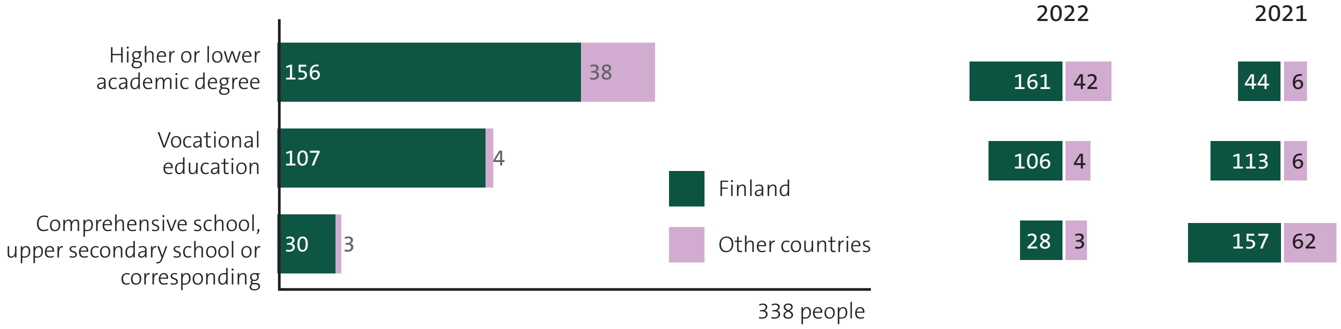
	2023				2022				2021			
Headcount	Finland	UK	Poland	Other	Finland	UK	Poland	Other	Finland	UK	Poland	Other
number of employees	293	17	13	15	295	19	17	13	314*	21	19	34**
permanent employees	285	17	13	13	278	17	17	12				
fixed-term employees	8	0	0	2	17	2	0	1				
employees called in as needed (zero-hour contract)	12	0	0	0	4	0	0	0				
full-time employees	283	16	13	13	283	18	17	12				
part-time employees	10	1	0	2	12	1	0	1				

* Includes Raisioaqua employees who were part of the organisation in 2021.
** Includes employees in Russia who were part of the organisation in 2021.
In 2021, data about employees' employment relationship was not reported.

OTHER PEOPLE WORKING FOR RAISIO

Headcount	2023	2022	2021
People not directly employed by Raisio: agency workers, apprentices and trainees	0	5	

EMPLOYEES' EDUCATION 2023



The results of the employee survey show that Raisio's employees are proud of the company's products and brands: the majority of employees are likely to recommend the company's products. Of the respondents, 79% gave positive answers, 18% were passive and 3% were critical.

Raisio's safety culture at a good level

According to a safety survey carried out in spring 2023, Raisio employees feel that the company's safety culture is at a good level. According to the results, the best aspect is the positive undertone and attitude: employees are willing to develop a culture of safety and commit to it in their daily work.

The safety survey was carried out when Raisio joined Tampere University's research project 'Developing safety culture in the food industry'. In addition to Raisio, other food companies involved in the project include Fazer, Saarioinen and Snellman, among others. At Raisio, the response rate was 54%, which is slightly higher than the project average (46%). The answers are very similar regardless of whether the respondent works in production or administration. There are also no differences between employee categories.

The respondents found the strongest element to be the existing safety reporting system, Quentic, which is used to report safety issues at Raisio. Other positive aspects were the attitudes towards safety and related communication, and the support for changes affecting safety. This means that issues identified as areas for improvement are corrected and things move forward. The results also reflect the respondents' experience that safety issues can be discussed freely and openly in the workplace.

The most room for improvement lies in the training of supervisors and making this training more systematic. It is also closely linked to the organisation's way of sharing safety-related information. As with many other themes, leadership in safety matters is about communication, and respondents wanted more of that. Efforts have already been made to address this by means such as stressing the responsibility of supervisors to hold safety talks for their teams.

Based on the survey and the analysis of its results, a plan for improving safety has been drawn up, with three main themes: tackling risk-taking and 'hero culture', caring and interaction, and developing and supporting the safety skills of supervisors. The areas for development and measures to address them were brainstormed and selected together with representatives of the various employee categories. The areas for development were divided into smaller projects, and their implementation will start at the beginning of 2024.

Increase in proactive occupational safety work

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

The work done to develop a culture of occupational safety is reflected in the number of proactive safety measures. The most significant increase was in the number of safety observations and safety quarters. A total of 1,197 preventive safety measures were taken (2022: 904, 2021: 452).

In 2023, the number of accidents slightly increased: the number of accidents at work resulting in one or more days of absence (LTI1) was 5 (2022: 4, 2021: 12). The accident frequency per million hours worked was 10 (2022: 6, 2021: 19). The accident frequency figure for 2023 is not comparable because the calculation method for hours worked has changed. In 2022, the hours worked were calculated mainly in theoretical hours, in 2023 as actual hours worked. Due to this change, the cumulative number of hours worked is significantly different.

Our aim is to further increase the amount of proactive safety work, as it is well known that measures such as the recording of safety observations and related corrective actions clearly reduce the number of accidents at work. Another key focus for future work will be the development of safety management.

CARBON-NEUTRAL ENERGY SOLUTIONS FOUND FOR OWN PRODUCTION

December 2023 marked a major milestone for Raisio: the last of our factories moved to carbon-neutral energy.

One of the key objectives of our responsibility programme is to make our own production carbon-neutral. Our goal has therefore been to find carbon-neutral solutions for our own production by the end of 2023.

The last missing piece was the Kauhava factory, which was acquired by the Raisio Group in spring 2021. The Kauhava factory switched to biofuel for the steam needed in production in March 2023. We also found a carbon-neutral solution for the factory's heat production when Kauhavan Kaukolämpö Oy, which produces heat for our factory, signed up its heat production to the energy guarantee of origin scheme. As a result, we can be sure that the Kauhava factory site is heated with heat produced from renewable wood chips.

As the solutions for Kauhava were found during 2023, our carbon neutrality figure for the year is not yet a full 100, but 99.7%.

For the Nokia mill and the Raisionkaari area, we had already found carbon-neutral energy solutions earlier. In summer 2021, a heating plant was commissioned at the Nokia mill, which utilises oat hulls, a side stream of the mill's processes, to produce heat and steam. The heating plant has proven to be a good way to ensure not only a responsible but also a cost-effective energy supply. With the commissioning of the heating plant, Raisio's own production facilities are no longer dependent on natural gas. The Nokia mill's heating plant also produces heat beyond our own needs: the surplus heat from the mill is utilised in Leppäkosken Lämpö's district heating network in Nokia. The old heating plant at the Nokia mill site remained in the area as a backup and peak energy plant and started using biogas as fuel in spring 2022.

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

We also buy carbon-neutral electricity for all of our factories.

ENVIRONMENT & CLIMATE ACTION – PRIMARY GOALS FOR 2022–2025

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

WHAT IS THE GUARANTEE OF ORIGIN SCHEME?

The guarantee of origin scheme for renewable energy is a mechanism to ensure that energy buyers can actually buy and use renewably sourced energy – electricity, gas and hydrogen, or heating and cooling. The scheme ensures that a company producing energy from multiple sources cannot sell the renewable energy it produces more than once. The Energy Authority is responsible for maintaining and supervising the register of guarantees of origin for heating.

THE ORGANISATION'S ENERGY CONSUMPTION	2023*	2022	2021
Our own energy production			
non-renewable fuels (diesel) MWh	200	1,000	1,000
renewable fuels (wood chips) MWh	53,100	53,000	55,000
Our own energy production in total	**53,300**	**54,000**	**56,000**
Purchased energy			
electricity MWh	43,200	44,000	47,000
heat and steam MWh	12,400	13,000	10,000
Purchased energy in total MWh	**55,600**	**57,000**	**57,000**
Sold energy MWh			
electricity MWh	-10,500	-11,000	-6,500
heat and steam MWh	-20,600	-22,000	-11,500
Sold energy in total	**-31,100**	**-33,000**	**-18,000**
Our own energy consumption in total MWh**	77,800	78,000	95,000
Energy MWh / tonne produced	0.74	0.71	0.65

* The 2023 figures are rounded to the nearest hundred, the earlier ones to the nearest thousand megawatt-hours.
** Total own energy consumption = own energy production + purchased energy - sold energy
The figures in this table have been assured. You can find EY's independent assurance report at the end of the responsibility section.
The calculation is based on the GRI standard. Heat and steam are not reported separately because not all of the plants measure them separately.

We produce more from less

Our aim is to use materials efficiently: to produce more from less, while respecting the environment. The aim of material efficiency is to reduce the environmental impact of food production, distribution and consumption. Raisio's material efficiency work focuses on recyclable packaging made from renewable materials, the reduction of food loss and food waste, and better utilisation of production side and waste streams.

NEW PRACTICES TO REDUCE WASTE

We have continued our work based on the 2022 material efficiency survey and further developed ways to utilise the side streams generated in factory production.

Nokia mill's production process developed
We have developed the production process of the Nokia mill to make more efficient use of oat grains in the production of flakes. This means that a higher proportion of grains can be used for food, and less ends up as raw material for animal feed or goes to waste.

New rescued pasta products
At the beginning and end of each production batch, the production of Torino® pasta and macaroni always results in small quantities of slightly warped specimens that do not meet the strict shape requirements of Torino® products. Despite this, they taste just as good as their perfectly shaped cousins. So, in the spirit of waste reduction, two new Torino® products were born: Mokaronimix and Pelastetut pastat!

The products contain a mix of different types of pasta, grouped according to cooking time. Pelastetut pastat cooks in about seven minutes, and Mokaronimix in about ten minutes. The products are not part of our permanent range. Instead, they are produced in batches when the need arises.

ESTABLISHED PRACTICES TO REDUCE WASTE

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

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

Animal feed
We make extensive use of production side streams. For example, oat hulls are a side stream of production that is produced in excess of our own needs. The oat hulls that are not needed for steam and heat production at the Nokia mill are sold for animal feed production. The mixed flour from the Raisio mill's process is also used as a raw material for animal feed.

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

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

Food waste can turn into delicious innovations!

Aiming to reduce the amount of waste

Our main goal is to reduce the overall amount of waste and find new ways of recovering our side streams. Another goal is to increase our recycling rate to 85% by the end of 2025.

In 2023, our average recycling rate was 87%. We use the Quentic system to record our environmental observations. In the system, we record both what has happened, so that we can collect the data, and ideas for improvement regarding issues such as environmental concerns, wastage and waste.

Together with our waste management partner, Lassila & Tikanoja, we are constantly developing ways to improve recycling and make use of our side streams. This year, we participated in Lassila & Tikanoja's circular economy hackathon, the goal of which was to work together to come up with new ways to use the side streams from our production.

WASTE	2023	2022	2021
Non-hazardous waste			
Recycling and reuse, tonnes	2,522	2,555	
Other recovery*	243	550.5	4,454*
End treatment, tonnes	112	71.5	262
Hazardous waste			
Recycling, tonnes	9	10	264
End treatment, tonnes	24	27	32
Total waste			
Total waste, tonnes	2,910	3,214	5,013
Total waste, kg / tonne produced	28	29	34

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

In 2023, our recycling rate was 87%. Our goal is to reach 85% by the end of 2025.

Water

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

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

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

WATER AND EFFLUENT	2023	2022	2021
Water use			
Water, 1,000 m^3	170	194	201
Water, m^3 / tonne produced	1.62	1.76	1.4
Effluent			
Effluent, 1,000 m^3	91	93	91
Effluent, m^3 / tonne produced	0.87	0.85	0.62

Scope 3 carbon footprint calculations

In cooperation with Natural Resources Institute Finland (Luke), we have calculated our indirect carbon dioxide emissions, i.e. Scope 3 emissions. The calculation is based on the Scope 3 guidelines of Greenhouse Gas (GHG) Protocol. It includes indirect emissions related to our activities, originating from emission sources that are not owned or controlled by the company. Upstream emissions include indirect emissions before the manufacture of products, and downstream emissions include indirect emissions after the manufacture of products.

Our Scope 3 calculation shows that most of our Scope 3 emissions come from the production and cultivation of raw materials, which is typical for the food industry. Grains, our main raw material, account for around 65% of the total CO_2 emissions. The calculation confirms our view that in the future we need to work more closely with the supply chain, and primary producers in particular, to reduce overall emissions. We have therefore launched a project to collect more detailed farm-specific information to determine the carbon footprint of grains, particularly oats. The reduction of emissions requires long-term efforts by all parties. The collection of detailed data is arduous, and farming is subject to large annual variations in yields, so it takes time to see the effects of any changes.

Compared to 2022, total Scope 3 emissions have decreased. This is due to fluctuations in the quantity of raw materials used.

Calculated partly by Luke, partly by ourselves

Natural Resources Institute Finland calculated the CO_2 emissions from purchased products and services and the transport of purchased raw materials, products and services. We, in turn, calculated the emissions from waste, commuting, product use and package recycling. We wanted to examine these too, so that we could understand their contribution to the overall picture. The calculations show that their significance in the overall picture is small.

Calculation of use-phase emissions

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

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

In terms of storage, we assessed what kind of storage the product requires and how much energy it takes to store the product. The storage options were room temperature, freezer and refrigerator storage. The storage option was chosen according to the instructions on the packaging. The storage of products stored at room temperature does not consume energy, so their CO_2 emissions in this respect were calculated as 0. The energy consumption of refrigeration and freezing is also affected by the storage period, which was defined based on the shelf life of the product. For cold storage, an average energy consumption was calculated, which was used to calculate the CO_2 emissions.

In terms of product use, CO_2 emissions are affected by whether the product is used as such or in food preparation. The products may be used in many ways, and we decided to carry out the calculation based on the recipe or instructions on the packaging of the product with the highest volume in each category. For preparation, emissions were defined either by the amount of energy needed to prepare the product in the oven or the amount of energy needed to boil water in the preparation of products that need to be boiled in water.

The composition of the carbon footprint:
In our carbon footprint calculation, we have tried to take into account the entire life cycle as comprehensively as possible. Our Scope 3 calculation includes the impact from primary production through to the use of the product and the recycling of the product's packaging.

Carbon dioxide emissions, tonnes of carbon dioxide, tCO2e

OWN PRODUCTION (SCOPE 1 AND 2)	2023	2022	2021	Calculation scopes
Direct (scope 1) CO_2e emissions	50	200	200	Emissions from self-generated energy. The emission factors used are those published by Motiva for each fuel type. This figure does not include biogenic CO2e emissions.
Indirect (scope 2) CO_2e emissions (market-based)	0	50	800	The market-based emissions of purchased energy used by properties and production facilities owned and managed by Raisio. The emission coefficients used are those published by Motiva and, where available, the coefficients specific to the energy production plants. This figure does not include biogenic CO2e emissions.
Indirect (scope 2) CO_2e emissions (location-based)	2,550	No figure available	No figure available	Location-based emissions from purchased energy used by properties and production facilities owned and managed by Raisio. The emission factors used are those published by Motiva and, where available, the factors specific to the energy production plants.
Total CO_2e emissions (market-based)	50	250	1,000	
Total CO_2e emissions, t / tonne produced (market-based)	0.000	0.002	0.007	The tonnes produced only include products and by-products produced in Raisio's own production facilities.
VALUE CHAIN (SCOPE 3)				
Indirect emissions before the manufacture of products (upstream)				
Purchased products and services	78,800	89,000	No figure available	Includes raw materials and packaging of products and subcontracted products.
Transport of purchased raw materials, products and services	2,200	2,200	No figure available	Includes transport of raw materials and packaging materials.
Waste	200	250	No figure available	CO2 emissions from the transport, disposal and recycling of waste generated at our own sites.
Commuting	250	250	No figure available	CO2 emissions from employees travelling between home and work. The calculation is based on the commuting of our employees in Finland.
Indirect emissions after the manufacture of products (downstream)				
Product use	1,350	1,500	No figure available	Emissions from food preparation and storage. Only includes consumer products.
Package recycling	300	350	No figure available	CO2 emissions from the recycling of packaging materials for consumer products.
Total	**83,100**	**92,650**		

The 2021–2023 figures for own production (Scope 1 and 2) have been assured. You can find EY's independent assurance report at the end of the responsibility section. The calculation is based on the GHG Protocol standard. Heat and steam are not reported separately because not all of the plants measure them separately.

The carbon footprint of oats used by Raisio will be determined

Together with Envitecpolis Oy, we have started to collect agronomic data regarding the oats we use. We need this data on primary production for calculating the carbon footprint of our oat products. Farmers participating in the project can, in turn, use the data to develop their own farming.

The aim is to determine the carbon footprint of oats used at the Nokia mill using actual agronomic data from contract farmers. Farmers are informed about the carbon footprint of their own farming, in terms of both oats and other grains. Farmers are also offered training and advice on how different measures can influence the condition of the field and reduce the carbon footprint of farming. Participation is voluntary for the contract farmers, and the aim in the first phase is to collect data on oats.

We chose Envitecpolis Oy as our partner for the collection of agronomic data and the calculation process. Envitecpolis provides the EnvitecVisio platform for farmers to input the data. Envitecpolis checks the data and calculates a farmer-specific carbon footprint for oat production.

CASE

Great taste from food waste through cooperation

The results of the cooperation between Raisio and Nordic Umami Company, which started in 2022, were made available in the summer of 2023 when samples of the 'Härkis® tomaattinen maustekastike' tomato sauce, made from production side streams, became available in selected K Group shops in Finland. The companies worked together to explore the possibilities of using the side streams of Raisio's plant-based products in the production of natural umami.

The raw materials used in the tomato sauce – fava bean skins, oat bran and oat flour – are side streams, meaning that they have been generated in the course of other production.

Through various partnerships, Raisio has found several uses for the fava bean skins generated during the production of Härkis® products.

LOOKING DEEPER INTO THE SUPPLY CHAIN

Both the world events of recent years and the forthcoming changes to EU sustainability reporting and due diligence obligations have brought the entire food value chain and its risks under increased scrutiny. That is also the case at Raisio.

The radical changes in the global operating environment since 2022 have had a major impact on the sourcing of raw materials: Since the Russian invasion of Ukraine and the prolongation of the war, raw material prices have risen and availability has deteriorated. This makes various types of abuse more attractive, as the financial gains from them increase. In addition to this, the wars in Ukraine and the Middle East have highlighted the possibility of human rights risks spreading to countries not previously considered to be at risk through new migration.

At the same time, the corporate sustainability due diligence directive prepared by the European Union will bring companies' value chains under closer scrutiny in order to increase their efforts to respect human rights and protect the environment.

SUSTAINABLE FOOD CHAIN
– PRIMARY GOALS FOR 2022–2025

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

In this changing operating environment, the responsible sourcing of raw materials and also the assessment of potential new risks are areas of continuous development for us. Addressing these challenges requires cooperation across the entire supply chain.

Code of Conduct and human rights policy

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

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

Raisio has been working on developing the responsibility of its supply chain for years. We require all our suppliers and subcontractors to monitor the implementation of human rights in their operations and work with suppliers and subcontractors to ensure that human rights are respected throughout the supply chain. All Raisio's suppliers and subcontractors have to sign the Raisio Supplier Code of Conduct. When necessary, we use various tools to assess human rights risks and impact and to identify actual and potential human rights problems. We audit suppliers and subcontractors regularly. Matters related to human rights are also examined through a Supplier Self-Audit form. The form is submitted to Raisio at regular intervals and always before starting as Raisio's supplier or subcontractor. We have integrated social responsibility and human rights issues as an integral part of our audits, and social responsibility issues are part of the question battery of our audits.

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

Project to analyse human rights in the supply chain

In order to be able to meet the new, upcoming requirements, we launched a project in 2023 that aims to more comprehensively identify and assess any human rights risks associated with Raisio's supply chain and develop an action plan to manage these risks. Since the most significant and likely human rights risks are found in the supply chain, that is where we started our human rights impact assessment.

In the project, we decided to focus on the following procurement categories: grains; raw materials commonly identified as high-risk raw materials, such as cocoa, spices and palm oil; and procurement related to cleaning, maintenance, logistics and storage. We included cleaning, maintenance, logistics and storage in the analysis because Raisio buys these services from other operators and, in many countries, these sectors traditionally use labour from other countries and/or temporary agency workers. The project also looked in more detail at the sourcing countries.

The results of the project show that the human rights risks identified in Raisio's supply chain are very typical for food industry operators whose value chains extend to primary production, i.e. to the fields. The risks that emerge relate to sourcing countries, raw materials or suppliers whose business models are associated with a heightened risk of violations of labour rights, in particular. These include many agriculture-related businesses, particularly when they involve a large amount of imported labour. The food industry is characterised by the fact that procurement decisions and supplier monitoring are largely based on the industry's quality and safety standards. They have guided the industry for a long time, which means that companies' practices and systems are built to meet these standards. The current transition period and new due diligence requirements call for the adaptation of existing practices and tools so that we can better focus on managing potential negative impacts.

Raisio has long promoted the responsibility of its supply chain by means such as supplier self-assessments and audits, which focus on the suppliers' practices and certifications; ensuring traceability; and using raw materials certified for responsibility. When sourcing raw materials, we use the BSCI risk country classification, with the aim of directing our sourcing to low-risk countries. Despite the BSCI risk country classification, even Raisio has to source raw materials from risk countries, as they may not be available elsewhere. We do not source raw materials from risk countries ourselves, but instead they come through an intermediary company. In addition to this, some raw materials contain ingredients from risk countries.

Raisio has long promoted the responsibility of its supply chain by means such as supplier self-assessments and audits, which focus on the suppliers' practices and certifications.

Based on the results of our project, our goal for 2024 is to draw up a plan of action to better reduce and manage human rights risks in our supply chain. Another goal is to extend the human rights risk impact assessment so that all groups of people affected by Raisio's activities are assessed from a human rights perspective.

Supplier Code of Conduct

For us, it is essential to commit our supply chain to the Raisio Supplier Code of Conduct. By the end of 2023, 99.8 (2022: 99.8, 2021: 99.8) per cent of the value of all direct procurements was procured from suppliers who have committed in writing to Raisio's Supplier Code of Conduct or whose own ethical principles have been approved by Raisio.

In 2024, we also aim to examine whether we can develop our Supplier Code of Conduct to better support a responsible and transparent supply chain.

Improved traceability of raw materials

In 2023, we devoted particular attention to improving the traceability of raw materials and related documentation. We tracked the origin of all the raw materials we use more thoroughly than before, and will continue to track and document this information more thoroughly in the future.

The background data collected allows us to examine Raisio's impact at different stages of the value chain. Information on the country of origin and traceability of raw materials is needed for human rights impact assessments and Scope 3 calculations, among other things.

The documentation of country of origin and traceability data is also linked to the EU Deforestation Regulation that will enter into force at the end of 2024. The regulation will affect the use of raw materials such as soy, cocoa, palm oil and chocolate. With the Deforestation Regulation, raw materials covered by the regulation may not be imported or marketed in the European Union without a due diligence assessment of their impact. Furthermore, the exact origin of the raw materials must be known.

We estimate that the impact of the Deforestation Regulation on Raisio will not be very significant, but we will monitor whether certified raw materials will be needed in the future or whether the Deforestation Regulation will prove to be even stricter than the certifications.

Risk raw materials account for a small but important share

The vast majority, 93 (2022: 94, 2021: 88) per cent, of the raw materials used in our products are plant-based. Grains – such as oat, wheat and rye – account for 86 (2022: 88, 2021: 75) per cent of our raw materials. 95% of the grain we use in our food production is Finnish.

Finnish grain farms are traditionally family farms that use very little outside labour, so the human rights risks for our main raw materials are low.

The only grain we buy from abroad is durum wheat, which is used to make pasta and is not grown in Finland at all. The percentage of Finnish grains in our grain mix has fallen slightly, as the share of durum has increased. Durum wheat is a risk raw material from a human rights perspective, as there is very little visibility to the product's country of origin.

Based on our risk assessments, soy, palm oil and cocoa are high-risk raw materials. In their production, risks related to issues such as workers' rights and environmental responsibility have been identified as higher than with other raw materials we use. We minimise this risk by procuring responsibility-certified soy, palm oil and cocoa. However, these three raw materials account for a relatively small proportion of the total raw materials we use: soy accounts for 0.5% of our total raw materials, palm oil for 0.2% and cocoa and chocolate for 0.1%.

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

The cocoa and chocolate we used in 2023 were entirely Rainforest Alliance (formerly UTZ) certified: certified cocoa and chocolate accounted for 100 (2022: 99, 2021: 94) per cent. We use cocoa and chocolate in products such as instant oatmeal and snack biscuits and drinks.

2023
93 %
plant-based raw materials
2022 94%
2021: 88%

2023
95 %
of grain Finnish
2022 97%
2021: 97%

2023
100 %
responsible palm oil
2022 100%
2021: 100%

2023
100 %
responsible soy
2022 100%
2021: 100%

2023
100%
responsible cocoa
2022 99%
2021: 94%

2023
99.8 %
of the value of direct procurements procured from suppliers who have committed to Raisio's Supplier Code of Conduct.
2022 99.8%
2021: 99.8%

Berries and fruit on the list of risk raw materials

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

To minimise the risks, we reviewed the processes of our partners who supply us with berries, fruit and their purees, jams and concentrates to ensure the responsibility of their raw materials and related sourcing. Raw material supply chains are long, making it difficult to get to the source of possible problems. We will continue this work in 2024.

RAW MATERIALS USED FOR RAISIO'S PRODUCTS

	2023	2022	2021
Grains	86.4%	88%	75%
Fish meal and fish oil	**	**	7%
Oils and fats	1.8%	2%	5%
Milk	7%	6%	5%
Plant proteins	0.3%	0.3%	4%
Soy	0.5%	0.2%	*
Cocoa and chocolate	0.1%	0.1%	*
Palm oil	0.2%	0.2%	*
Berries and fruit	0.6%	0.6%	*
Other*	3.1%	3%	4%

* Raw material reported in 2021 under Other
** Raw material not reported for 2022 and 2023 as we only report raw materials for continuing operations.

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

Main biodiversity impacts upstream in the value chain

Understanding of the significance of biodiversity is gradually increasing, but the topic of biodiversity loss has been overshadowed by the climate change debate. These challenges are strongly interlinked, as rapid climate change contributes to increased biodiversity loss. Perhaps the biggest difference between the two is the local nature of the impact: the effects of biodiversity loss, and therefore the measures to improve biodiversity, are largely local. Biodiversity measures taken in Finland, such as the protection of rare forest types or leaving field margins untrimmed, will not help the situation of Brazilian rainforests, nor will rainforest conservation measures help save endangered biotopes in Finland. This is both a challenge and an opportunity: the impact of local action can be seen quickly, but the challenge is in finding ways to increase biodiversity elsewhere. Of course, measures to prevent climate change also have a global impact.

So far, no equally clear metric has been developed for measuring biodiversity impact as for measuring carbon dioxide emissions. However, there are various methods of impact assessment that can be used to carry out such assessments. From a company's perspective, this lack of a common metric is a challenge, as both external and internal stakeholders would like unambiguous results, metrics and targets.

As with climate issues, the analysis of biodiversity impacts and interdependencies starts with the company's own activities. All of Raisio's own production facilities are located in Finland. They are not located in key biodiversity areas, nor are such areas in their immediate vicinity.

Raisio involved in a project to improve sustainability through diversified farming

The project 'Kestävyyttä monimuotoisella viljelyllä – uusi suunta suomalaiselle peltokasvituotannolle' aims to improve the sustainability of Finnish field crop production through diversified farming. Coordinated by the Natural Resources Institute Finland (Luke), the project started in summer 2023 and will continue until 2029. The project includes several themes, but the most significant part is the implementation of five-year crop rotation trials. Diversified crop rotation improves crop growth, yield and disease resistance, among other things. Having a variety of plants in rotation also improves soil structure, diversifies the microbiota and enhances the soil's crumb structure, which in turn contributes to the field's water management and the plants' nutrient uptake. Diversified crop rotation also contributes to the diversity of agricultural land.

This study is needed because weather conditions have changed and the longer growing season also allows new crops to be grown in Finnish conditions. We need information on which crops best support the above aspects in crop rotations and which crops are best suited to rotation. Raisio is involved in the project together with Viking Malt, Anora, Olvi, Sinebrychoff, the Central Union of Agricultural Producers and Forest Owners (MTK) and the Central Union of Swedish-speaking Farmers and Forest Owners in Finland (SLC).

Raisio joins ETL's biodiversity background group

Raisio is part of the biodiversity background group of the Finnish Food and Drink Industries' Federation (ETL). According to its study, the most significant impacts of the food industry on nature are almost always located at the upstream end of the food value chain, particularly in primary food production. The high impact of food production on biodiversity is due in particular to the large area of land it requires.

Upstream impact can only be influenced by local measures, and long production chains impede both access to information and the ability to take action. On the other hand, Raisio and the food industry in general have the opportunity to influence biodiversity also outside Finland through raw materials.

Indeed, Raisio's greatest potential to make a difference relates to raw materials. Raisio's main raw materials are plant-based. The company's selection also includes plant protein products that reduce land use. The use of certified raw materials, in turn, can reduce the adverse effects of risk raw materials on biodiversity.

We will continue to assess our biodiversity impact and aim to develop an action plan to reduce and measure this impact. Biodiversity work requires cooperation with the entire food chain – from primary producers to retailers.

RISKS AND RISK MANAGEMENT

Raisio's most significant environmental risk is the impact of climate change on harvests and thus on the quality, availability and price of its most important raw material, grains.

The impact of climate change can already be seen very clearly in the conditions of the growing season. The growing season of summer 2023 was affected by extreme weather phenomena, which had a significant impact on both the quantity and quality of the harvest. Overall, the harvest was poor in both quantity and quality. This was the third poorest grain harvest in the 21st century.

Spring sowing was carried out in May in good conditions and within the normal schedule. However, there was no rain for several weeks after the sowing, which reduced the yield potential of all spring grains and other spring crops, such as fava beans. The drought in the early growing season seems to be the most significant impact of climate change on our growing conditions.

Rains fell after Midsummer in June, allowing crops to grow and produce, although the normal yield potential had been lost due to the drought earlier in the season. Rainfall increased in August and September, making the harvest much more difficult. However, the main impact of the rains was on crop quality, which deteriorated for a number of reasons. The warm and humid weather brought down the falling number of both rye and spring wheat, thus impairing their baking quality. In oats, and exceptionally also in barley, *Fusarium* fungi formed mycotoxins under these conditions, which in high concentrations are dangerous for both humans and livestock. In other words, an exceptionally high number of batches of oats were unusable as raw material for food or even animal feed. The quality of the grain used by Raisio is always analysed before use to ensure that it is safe to use in the production of mill products.

We aim to manage risks related to the procurement of Finnish grains by expanding the procurement area geographically in Finland. We also aim to encourage our contract farmers to adopt farming practices that increase yield security.

Another significant risk is the impact of climate change and the global situation on energy prices. The risk related to the energy price increase is managed by investing in the use of renewable energy and using production side streams for energy production, among other measures. Since the end of 2023, all of our factories have been equipped with solutions that enable the use of renewable energy. More information on carbon-neutral production solutions is provided in the 'Environment & Climate Action' section of this annual review.

In terms of social and HR matters, we consider serious workplace accidents and the stability and availability of competent employees to be our main risks.

Risk management

Raisio's risk management has been renewed in recent years, and the new model has been applied from the beginning of 2022 onwards. The aim of the new operating model is to identify risks and ways of managing them more comprehensively, from as many different perspectives as possible.

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

In 2023, the approach was developed further, and an opportunity perspective was added to the risk assessment. The aim is to make risk management a part of ongoing action and discussion. Persistent topics on the risk map include issues related to material procurement, among others. In 2023, particular attention was paid to the security situation and cyber threats in Europe and the impact of climate change on harvests. This year, we also launched a project to define how we can assess and manage the human rights impacts of our activities in our value chain. More information on the project is provided in the 'Sustainable Food Chain' section.

Risks related to employees are managed by developing an occupational safety and company culture, and by promoting well-being at work and the continuous development and management of skills in a goal-oriented manner. In Finland, we use the Superior's Compass, which is a tool provided by Mehiläinen for the early intervention model. It facilitates the detection of risks to work ability and helps in the monitoring of long sickness absences and short recurring ones, and the workplace accident process. The tool provides supervisors with real-time information and, thus, helps them act in accordance with the early intervention model. The tool is also an easy and secure way to contact the occupational health service. We also develop our corporate culture in a goal-oriented way, from the perspective of both safety and well-being at work. We systematically use target and appraisal discussions as part of this development work. We monitor staff satisfaction through various surveys and take action in response to the results.
In 2023, we carried out a number of training courses for all employees to develop company culture and our employees' skills.

BASIS OF RESPONSIBILITY

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

Code of Conduct

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

Getting familiar with the Code of Conduct is part of the induction of all new employees. The Raisio Code of Conduct and anti-corruption policy explicitly prohibit corruption and bribery. Employees are regularly trained in the Code of Conduct and anti-corruption policy, and the training is part of the induction programme of each new employee.

Raisio has an online training course on the Raisio Code of Conduct in Finnish, English and Polish, which is mandatory for all Raisio employees. At the end of 2023, 86* (2022: 88; 2021: 85) per cent of our employees had completed the training. In 2023, our online training platform changed and the training courses were updated and renewed. Due to the changeover, the online training courses were available only for part of the year, which also affects the number of employees who have completed the training. Our goal is that every Raisio employee will complete the renewed online training on the Raisio Code of Conduct in 2024.

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

**This figure has been assured. You can find EY's independent assurance report at the end of the responsibility section.*

PRINCIPLES AND POLICIES DEFINING RAISIO'S RESPONSIBLE OPERATIONS

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

Our Code of Conduct guides our work and sets a foundation for profitable and responsible operations.

Raisio's value chain

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

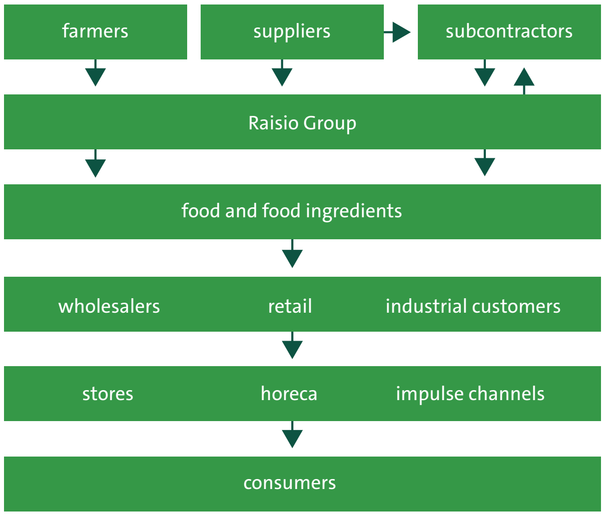
We influence the beginning of the value chain, i.e. our suppliers, by following responsible procurement principles. We expect our suppliers and subcontractors to commit to Raisio's Supplier Code of Conduct concerning, for example, environmental responsibility, working conditions in accordance with international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

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

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

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

RAISIO'S VALUE CHAIN



BREAKDOWN OF RAISIO'S ECONOMIC VALUE*

M€	2023	2022	2021
Net sales	219.5	220.8	200.0
Suppliers and production purchase of raw materials, energy and services, as well as depreciation	172.4	171.5	142.7
Personnel wages, salaries and fees	25.6	24.6	24.6
Shareholders dividends	22.1	22.1	20.6
Investments	9.0	5.2	23.0
Public sector income taxes	4.6	2.5	3.1

*Continuing operations; comparable figures

Materiality assessment and stakeholder survey

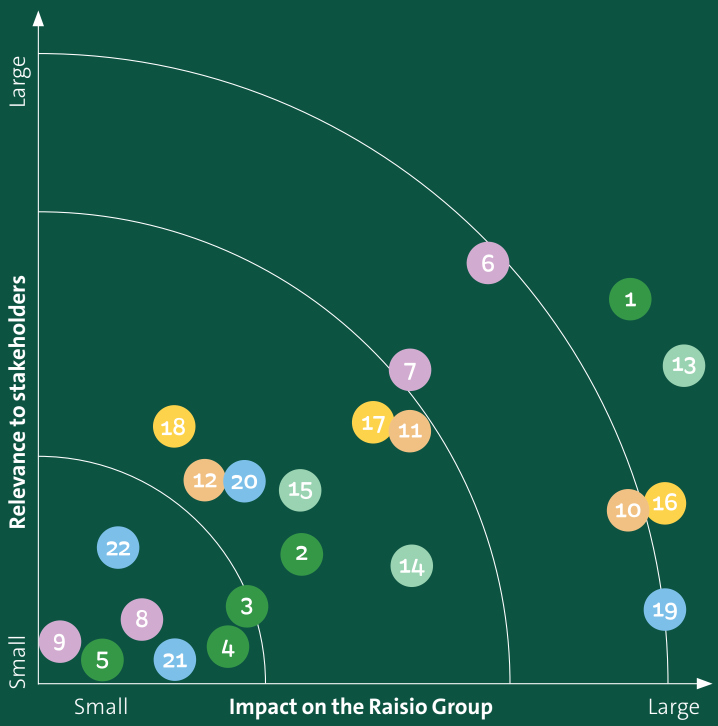
Our materiality assessment is based on the stakeholder survey conducted in 2021. The materiality assessment served as a guideline in defining the current objectives of the responsibility programme.

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

The stakeholder survey targeted a wide range of representatives of Raisio's stakeholders: owners, analysts and investors, farmers, suppliers of goods and services, employees, consumers, business customers and organisations. A total of 975 responses were received during the three-week survey period. Consumers were reached particularly through the social media channels of product brands. The survey was conducted in Finnish, English and Polish. In order to make the stakeholder survey comparable, the questions were based on those of the 2017 survey. However, some updates were made to the list of questions. The survey included six sections, grouped under the themes of Raisio's Good Food Plan. In addition to these, there was a more general section titled 'Responsible Raisio.' Each section contained nine or ten statements or options, from which the respondent had to choose the three that they considered to be the most important topics to be promoted.

KEY RESPONSIBILITY THEMES HIGHLIGHTED IN THE STAKEHOLDER SURVEY

The numbers refer to the stakeholders' views on the order of importance of the themes



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

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

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

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

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

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

Dialogue with stakeholders

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

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

In 2023, the main major topic of the dialogue continued to be Russia's invasion of Ukraine and its impact on grain prices, grain availability, food prices, and the prices of energy and other commodities.

Stakeholder	Interaction channel	Stakeholder's key topics in 2023
Personnel	Continuous and open interaction in the work community, appraisal discussions, trainings, employee briefings, intranet, working groups and project work	Food prices and general cost trends; the Russo-Ukrainian War; company culture and skills development; the change and growth programme to develop the company's business and accelerate growth.
Consumers	Consumer service, social media, brand websites, newsletters, advertising, media communication, consumer studies, product demonstrators	Food prices; food transition and plant-based food; cholesterol reduction; responsibility of raw materials and production; product healthiness; new products; products' production countries; packaging and recyclability; labelling and its clarity; product quality; availability of pasta.
Customers e.g. retailers, wholesalers, bakeries, industrial and catering customers, healthcare professionals, fish farmers	Direct customer contacts, websites, events, e-newsletters	Food prices; security of supply; domesticity of food in Finland; food transition and plant-based food; cholesterol reduction; product packaging; recyclability, practicality and environmental friendliness of packaging; product healthiness; carbon-neutral production; use of production side streams in food; environmental objectives; categories' strong branded value-added products; selection and pricing windows; availability of pasta.
Shareholders, institutional investors and analysts	Financial statements in the form of stock exchange releases and through other financial reporting, investor section on the website. Dialogue with investors and analysts using virtual meeting opportunities, e.g. annual general meetings, road shows and management meetings	Divestment of Raisioaqua; prices of raw materials, materials and transport; prices and availability of raw materials, particularly grain; food prices; Raisio's growth opportunities and growth programme; financial targets for the strategic period 2022–2025; food transition and its potential for Raisio and Finland; changes in volume trends of different product categories in different markets; acquisition opportunities.
Public authorities, advocacy groups, networks	Authority inspections, meetings, influencing in organisations, see: Raisio's memberships	Security of supply, energy security, food transition, plant-based food, cholesterol reduction, fairness of food system reform, food innovation, Baltic Sea welfare, responsibility, Green Deal.
Suppliers, contract farmers, subcontractors	Direct contacts, meetings, audits, Supplier Code of Conduct, supplier self-assessments, contract farmer events, fairs, e-newsletter to farmers	Grain prices and availability; grain quality; yields; prices of raw materials, materials and transport; food prices; food transition and plant-based food; fairness of food system reform; sustainable farming; responsibility.
Media	Direct contacts, interviews, releases, social media, websites	Grain prices, grain availability, food prices, divestment of Raisioaqua, food transition, plant-based food, Raisio's strategy, responsibility, sustainable development, environmental actions.
Educational institutions	Sponsor schools, speaker visits, projects, research collaboration, cooperation through Raisio's Research Foundation.	Practical training; theses; raising awareness of the food industry among comprehensive school pupils through the Yrityskylä partnership; food transition; plant-based food; grain production; role, prices and quality of primary production.

Supported organisations in 2023

In addition to the distribution of our company's financial value, our social responsibility is seen in the support of various non-profit organisations. We have selected the organisations so that they fit our values and strategy.

With the war in Ukraine continuing, we made our Christmas donation to the Red Cross, directing it to their work to help those affected by the crisis in Ukraine. We chose this donation method on the recommendation of our Ukrainian colleagues.

In 2022–2023, Elovena® was a partner of the Finnish national youth orienteering team and collaborated on nutrition with the Finnish Orienteering Federation. As part of the collaboration, we provided the national youth orienteering team with Elovena® products, such as instant oatmeal, snack oat drinks, snack biscuits and oat bars, for all of their camps and competitions during the 2022 and 2023 seasons. The partnership highlighted the importance of good eating habits and physical activity, particularly for the healthy growth and development of children and young people.

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

We participated in Commu App's #1000tekoa charity event at the end of the year at Cable Factory in Helsinki by donating Elovena®, Benecol® and Härkis® products. Furthermore, we regularly donate products to the Shared Table food aid network.

Since 2021, Raisio has been a supporter and the main partner of the Unique Archipelago Sea project. The project aims to find ways to save the Archipelago Sea from eutrophication. The Unique Archipelago Sea operation is a five-year project, originally launched by Centrum Balticum, and it aims to raise the profile and prestige of the Archipelago Sea. It also seeks to promote various actions that improve the cleanliness of the Archipelago Sea. The project aims to influence decisions and measures to turn the state of our national treasure's sea in a sustainable and healthy direction and safeguard the biodiversity of the world's largest archipelago. Increasing the interest of tourists in the unique nature experience offered by this UNESCO Biosphere Reserve, both at home and in Sweden, and in the coming years with Visit Finland in the global market, is an important part of the operation's activities.

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

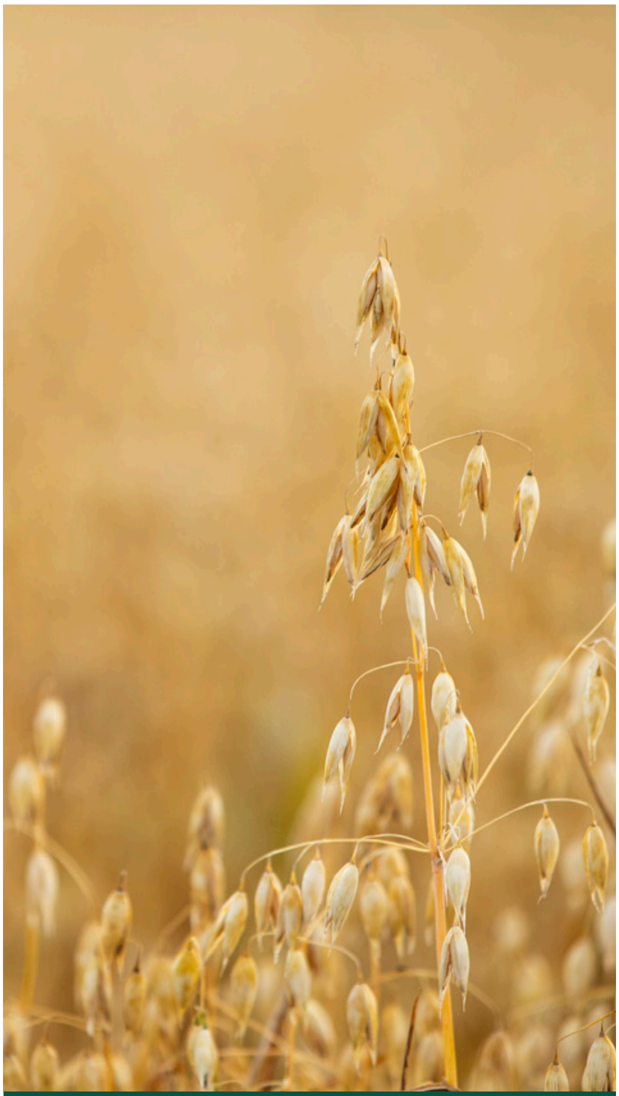
We raise awareness of the food industry among comprehensive school pupils as a partner of the Southwest Finland Yrityskylä learning environment. Raisio has been a partner of Yrityskylä since 2013. We continued this activity aimed at sixth and ninth graders.

RAISIO'S RESPONSIBILITY MANAGEMENT MODEL

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

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

- The Finnish Association of Academic Agronomists
- The American Oil Chemists' Society
- Securities Market Association
- Confederation of Finnish Industries
- Finnish Food and Drink Industries' Federation (ETL)
- ETS, Elintarviketieteiden Seura
- Farmit Oy
- FIBS, Finnish Business & Society
- Food and Drink Federation (Great Britain)
- Food Drink Ireland (IBEC)
- GS1 Finland
- ICC, International Chamber of Commerce
- IFT Institute of Food Technologists
- IGD – Institute of Grocery Distribution (Great Britain)
- Finnish Plant Protection Society
- Finnish Association of Purchasing and Logistics LOGY
- Southwest Finland ELVAR committee
- Water Protection Association of Southwest Finland
- Meripuolustussäätiö
- Marketing Executives Group Inc (MJR)
- The Finnish Cereal Committee (VYR) of the Ministry of Agriculture and Forestry
- The Nolla tapaturmaa forum
- Non-Profit Organisation Eesti Taaskasutusorganisatsioon (ETO)
- OPRL – On-pack recycling label scheme (Great Britain)
- Finnish Association for Corporate Patent Agents
- Pro Ruis ry
- Pro Vege ry
- PSK Standards Association
- RTY, The Association of Clinical and Public Health Nutritionists in Finland
- Repak Ireland
- RTRS, Roundtable of Responsible Soy
- RSPO, Roundtable on Sustainable Palm Oil
- Finfood – Finnish Food Information
- STO ry, Suomen Tuotannonohjausyhdistys
- Association for Finnish Work
- FACG, The Finnish Anti-Counterfeiting Group
- FIRS, The Finnish IR Society
- The Finnish Oat Association
- Lean Association of Finland
- Finnish Association of Purchasing and Logistics LOGY
- The Finnish Packaging Association
- STY, Finnish Association for Industrial Property Rights
- The Finnish Foundation for Cardiovascular Research
- Turku Chamber of Commerce
- Turun Kauppakorkeakouluseura ry (Turku School of Economics)
- Varsinais-Suomen Sydänpiiri ry
- The Federation of Professional and Managerial Staff YTN, Food industry
- Åbolands svenska lantbruksproducentförbund r.f. – SLC Åboland



Raisio part of ETL's responsibility steering group

The Finnish Food and Drink Industries' Federation (ETL) has set up a responsibility steering group to look at the long-term development of the operating environment related to responsibility and sustainable development. The steering group is also tasked with defining ETL's annual responsibility and sustainable development priorities. Raisio has a representative in the steering group.

ETL supports its member companies on responsibility and sustainable development themes by sharing current information on the progress of environmental and sustainability regulation.

Independent practitioner's assurance report

(Translated from the original report in Finnish language)

To the Management of Raisio Oyj

Scope

We have been engaged by Raisio Oyj (hereafter "Raisio") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements (ISAE 3000), here after referred to as the engagement, to report on Raisio's energy and emission data (Scope 1 and 2) and personnel data in Raisio's Corporate Responsibility Report 2023 for the period 1.1.-31.12.2023 (the "Subject Matter").

The Subject Matter included the information reported in the following sections in the Corporate Responsibility Report:
• Tables "The organisation's energy consumption" and "Own production (scope 1 and 2)" included in the section Environment & Climate action.
• Tables "Employee data", "Raisio group employees at the end of the year", "Employees at the end of the year by country", "Other people working for Raisio", "Employees' education 2023" and eNPS figure included in the section Food professionals.
• Employees who have completed online training included in the section Basis of responsibility.

The Subject Matter included the following GRI indicators:

- GRI 2-7
- GRI 2-8
- GRI 302-1
- GRI 302-3
- GRI 305-1
- GRI 305-2
- GRI 305-4
- GRI 401-1
- GRI 403-2
- GRI 403-9
- GRI 403-10
- GRI 404-3
- GRI 405-1

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Raisio

In preparing the Subject Matter, Raisio reported with reference to the Global Reporting Initiative (GRI) sustainability reporting standards (the "Criteria"). As a result, the Subject Matter information may not be suitable for another purpose.

Raisio's responsibilities

Raisio's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000' Revised), and the terms of reference for this engagement as agreed with Raisio on 3.1.2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Green House Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

a) Gathering an understanding of Raisio's material sustainability reporting topics, organization and activities,

b) Interview with senior management to understand Raisio's sustainability management,

c) Interviews with personnel responsible for gathering and consolidation of the Subject Matter to understand the systems, processes and controls related to gathering and consolidating the information,

d) Assessing sustainability data from internal and external sources and checking the data to reporting information on a sample basis to check the accuracy of the data.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion
Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter in Raisio's sustainability report for the period 1.1.-31.12.2023, in order for it to be in accordance with the Criteria.

Helsinki 8.3.2024
Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta	Nathalie Clément
Authorized Public Accountant	*Leader of Climate Change and Sustainability Services*

GRI Content Index

In its corporate responsibility reporting for the period from 1 January 2023 to 31 December 2023, Raisio plc has reported the information cited in this GRI content index with reference to the GRI Standards. GRI 1 used: GRI 1: Foundation 2021.

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

GRI Standard	Disclosure	Location
Organization and its reporting practices GRI 2, 2021: General Disclosures	2-1 Organizational details	page 4
	2-2 Entities included in the organization's sustainability reporting	page 43
	2-3 Reporting period, frequency and contact point	1.1.2023-31.12.2023; reporting done once a year, contact: communications@raisio.com
	2-4 Restatements of information	page 27, Scope 3 table: 'product use' figure from 2022 corrected
	2-5 External assurance	pages 41–42
Activities and workers	2-6 Activities, value chain and other business relationships	pages 5, 36
	2-7 Employees	pages 16–20
	2-8 Workers who are not employees	page 19
Governance	2-9 Governance structure and composition	Corporate Governance Statement 2023
	2-10 Nomination and selection of the highest governance body	Corporate Governance Statement 2023
	2-11 Chair of the highest governance body	Corporate Governance Statement 2023
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement 2023
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Statement 2023
	2-14 Role of the highest governance body in sustainability reporting	page 39
	2-15 Conflicts of interest	Corporate Governance Statement 2023
	2-16 Communication of critical concerns	Raisio Group's whistleblowing channel: https://report.whistleb.com/fi/raisio
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Statement 2023
	2-19 Remuneration policies	Remuneration report 2023
	2-20 Process to determine remuneration	Remuneration report 2023
	2-21 Annual total compensation ratio	Remuneration report 2023
Strategy, policies and practices	2-22 Statement on sustainable development strategy	pages 6–7
	2-23 Policy commitments	pages 29, 35
	2-27 Compliance with laws and regulations	page 29
	2-28 Membership associations	page 40
Stakeholder engagement	2-29 Approach to stakeholder engagement	page 38
	2-30 Collective bargaining agreements	page 17

GRI Standard	Disclosure	Location
GRI 201, 2016: Economic performance	201-1 Direct economic value generated and distributed	page 36
	205-2 Activities regarding anti-corruption	pages 35–36, https://www.raisio.com/en/investors/corporate-governance/control/
GRI 3, 2021: Material topics	3-1 Process to determine material topics	page 37
	3-2 List of material topics	page 37
GRI 301, 2016: Materials	301-1 Materials	pages 31–32
GRI 302, 2016: Energy	302-1 Energy consumption within the organization	page 22
	302-3 Energy intensity	pages 21–25
GRI 303, 2018: Water	303-1 Water consumption	page 25
GRI 304, 2016: Biodiversity	304-1 Operational sites in, or adjacent to, protected areas	none
GRI 305, 2016: Emissions	305-1 Direct GHG emissions	page 27
	305-2 Energy indirect GHG emissions	page 27
	305-3 Other indirect (Scope 3) GHG emissions	page 27
	305-4 GHG emissions intensity	page 27
	305-5 Reduction of GHG emissions	page 27
GRI 306, 2020: Waste	306-1 Effluent	page 25
	306-2 Waste	page 25
GRI 307, 2016: Environmental compliance	307-1 Non-compliance with environmental laws and regulations	No non-compliance issues
GRI 401, 2016: Employment	401-1 New employee hires and employee turnover	page 17, not reported: distribution by age, gender nor country-specific
GRI 403, 2018: Occupational Health and Safety	403-2 Hazard identification, risk assessment and incident investigation	page 17, 20
	403-9 Work-related injuries	page 17
	403-10 Work-related ill health	page 17
GRI 404, 2016: Training and Education	404-3 Percentage of employees receiving regular performance and career development reviews	page 17, not reported: distribution by gender nor by type of employee position
GRI 405, 2016: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	pages 17–19; not report: distribution by age of management, information available at raisio.com website
G4-3 Food Processing sector disclosures	FP1 Compliance with responsible procurement principles	pages 29–32
	FP2 Certified raw materials	page 31
	FP5 Products manufactured in certified sites	page 14

BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2023

Page

BOARD OF DIRECTORS' REPORT 2023

Net sales in 2023 at previous year's level, profitability significantly improved in a challenging operating environment.

Financial development in brief

January–december 2023, continuing operations

- The Group's net sales totalled EUR 219.5 (220.8) million, which signified a decrease of 0.6%.
- Comparable EBITDA was EUR 32.8 (28.3**) million, which accounted for 15.0 (12.8) per cent of net sales.
- EBITDA was EUR 30.3* (27.8*) million, which accounted for 13.8 (12.6) per cent of net sales.
- Comparable EBIT was EUR 22.7 (18.4**) million, accounting for 10.4 (8.3) per cent of net sales.
- EBIT was EUR 19.1* (17.9**) million, which accounted for 8.7 (8.1) per cent of net sales.
- The Group's cash flow from continuing operations after financial items and taxes totalled EUR 37.0 (11.2) million.
- The comparable return on invested capital (ROIC) was 9.2 (5.6) per cent and the return on invested capital (ROIC) was 7.9 (5.5) per cent.
- Comparable earnings per share were EUR 0.13 (0.08) per share.
- Earnings per share were EUR 0.11 (0.08) per share.
- The Board of Directors' dividend proposal for the Annual General Meeting is EUR 0.14 per share, of which EUR 0.11 is the basic dividend in accordance with the company's dividend policy and EUR 0.03 the supplementary dividend.

EBIT includes EUR 1.7 million in costs related to business expansion, EUR 0.9 million in costs related to reorganisation and an impairment loss of EUR 1.1 million related to the impairment of the Honey Monster brand. EBITDA and EBIT for the comparison period include EUR 0.5 million in costs related to business expansion.

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

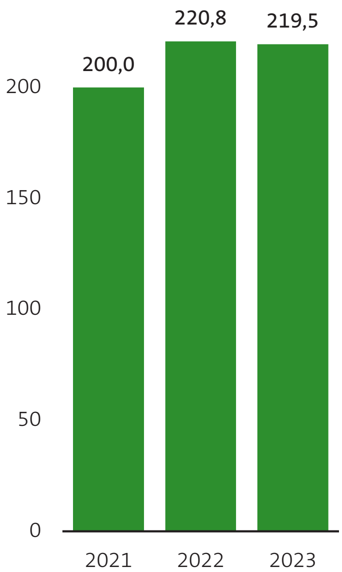
Outlook 2024

Raisio projects the comparable EBIT for the financial year 2024 to be at the level of 2023 or slightly higher. Raisio's comparable EBIT in 2023 was EUR 22.7 million.

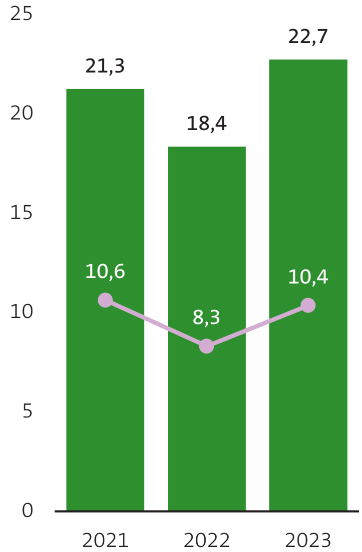
Group key figures

		2023	2022	Change
Net sales	M€	219.5	220.8	-0.6%
Comparable EBITDA	M€	32.8	28.3	16.0%
Comparable EBITDA as a percentage of net sales	%	15.0	12.8	
EBITDA	M€	30.3	27.8	8.7%
EBITDA as a percentage of net sales	%	13.8	12.6	
Comparable EBIT	M€	22.7	18.4	23.9%
Comparable EBIT as a percentage of net sales	%	10.4	8.3	
EBIT	M€	19.1	17.9	6.8%
EBIT as a percentage of net sales	%	8.7	8.1	
Comparable earnings per share	€	0.13	0.08	
Earnings per share	€	0.11	0.08	
Average personnel	FTE	344	342	0.6%
Investments, continuing operations	M€	9.0	5.2	74.4%
Cash flow from business operations after financial items and taxes, continuing operations	M€	37.0	11.2	
Equity ratio	%	80.4	79.2	
Net gearing	%	-21.7	-15.7	
Net interest-bearing debt	M€	-56.5	-41.2	
Equity per share	€	1.65	1.66	
Comparable return on invested capital (ROIC), continuing operations	%	9.2	5.6	
Return on invested capital (ROIC), continuing operations	%	7.9	5.5	

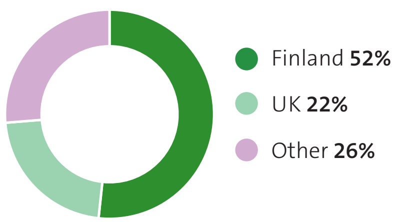
NET SALES (M€)



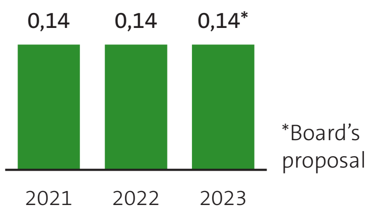
COMPARABLE EBIT (M€) AND SHARE OF NET SALES (%)



GEOGRAPHICAL BREAKDOWN OF NET SALES



DIVIDEND/SHARE



Strategy period objectives 2022–2025

NET SALES FOR STRATEGIC AREAS OF FOCUS, CONTINUING OPERATIONS

M€	1–12/2023	1–12/2022	Change
Net sales	170.1	171.8	-1.0%
Benecol® and plant stanol ester solutions	106.5	113.8	-6.3%
Value-added oat products and ingredients	58.0	51.4	12.8%
Plant proteins	5.5	6.6	-17.3%

We updated our objectives for the strategy period up to 2025 in December 2022. However, the financial year 2023 was marked by high inflation and rising interest rates, which had a very negative impact on both consumer behaviour and demand for consumer goods.

As a result, we announced after the review period in February 2024 that we will abandon the growth targets set for the strategy period up to the end of 2025. We will continue to promote our strategic priorities systematically and continue to believe in long-term growth in our key categories. In the short term, however, growth will be slower than previously expected due to the challenging market conditions.

Our 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 commercialisation stage of the new production facility and growth investments in Verso Food, acquired in spring 2021, will continue to put pressure on Raisio's EBIT in the short term. On the other hand, we expect the increasing production volumes in different categories and further diversification of product categories to improve the profitability of production. Nevertheless, Verso Food's profitability is expected to turn positive at a slower rate than previously estimated.

The sales of the Benecol® and plant stanol ester solutions focus area declined in 2023, as inflation has had a significant impact on consumer purchasing power and consumer demand in Europe, particularly in the UK. The UK is the largest market for Benecol products, and the entire category of cholesterol-lowering products has lost significant sales volume there. Despite the challenges, Benecol's market share in the category has remained high in the UK.

The growth of the value-added oat products and ingredients focus area is driven by the success of the Elovena® brand in Finland: The total net sales of Elovena products have increased in particular due to new product launches, and the brand has also increased its market share in terms of sales value. The growth in the net sales of Elovena products was around 20% in 2023 compared to the comparison period.

In the plant proteins market, challenges are posed in particular by the declining net sales within the overall plant protein product category in Finland and increased competition within the product group. In relative terms, the plant protein market has been hit hardest by the current market turmoil. 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.

Operating environment

The outlook for the operating environment remains challenging, with monetary policy tightening and inflation weighing on growth in the West. When the economy enters a downturn, demand in the food industry typically declines with a slight lag, which is why the industry can also be called post-cyclical. Rising costs and weakening demand for consumer products are challenging the industry as a whole.

Households have been adjusting their spending at a rapid pace, and the amount of money available for spending is determined by a number of factors, such as interest rates, employment and changes in wages and benefits. Some of these are expected to improve in 2024; interest rates are expected to fall, for example.

The campaign-driven nature of consumer choices, price awareness and the resulting demand fluctuations are challenging the entire food chain. At the same time, consumers are 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 long term, despite the short-term challenges.

Financial reporting

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

Raisio Group, continuing operations

Net sales
Raisio Group's net sales totalled EUR 219.5 (220.8) million. The Healthy Food Segment's net sales totalled EUR 143.8 (143.0) million and the Healthy Ingredients Segment's net sales were EUR 111.2 (115.7) million. The elevated interest rates and cost of living had a very negative impact on demand and sales volumes in many markets. The development process of Raisio's new products has delivered the desired change in the planning, roll-out, launch visibility and commercial success of new products. In the consumer market in Finland, the Elovena® brand in particular saw a significant increase in total net sales driven by new product launches. The value of the sales of the Elovena® brand was around 20 per cent higher than in the comparison period.

Depreciation, financial items and result
Depreciation and impairment totalled EUR 11.2 (10.0) million. Depreciation and impairment for the review period include an impairment loss of EUR 1.1 million due to the impairment of the Honey Monster brand. The Group's net financial items were EUR 3.1 (-2.9) million. The net financial items in the review period included a fair value change of EUR 2.3 (-2.3) million for financial assets recognised at fair value through profit or loss. The Group's pre-tax result was EUR 22.2 (15.0) million. The Group's post-tax result was EUR 17.5 (12.5) million. The Group's earnings per share were EUR 0.11 (0.08) and the comparable figure was EUR 0.13 (0.08).

EBIT
Raisio Group's comparable EBIT was EUR 22.7 (18.4) million, which accounted for 10.4 (8.3) per cent of net sales. EBIT was EUR 19.1 (17.9) million, which accounted for 8.7 (8.1) per cent of net sales. Despite volume changes and inflationary pressures, profitability improved significantly compared to the challenging comparison period. EBIT includes EUR 1.7 million in costs related to business expansion, EUR 0.9 million in costs related to reorganisation and an impairment loss of EUR 1.1 million related to the impairment of the Honey Monster brand.

Currency conversion impacts on net sales and EBIT

M€	2023	2022
Net sales	-1.3	1.2
Comparable EBIT	-0.2	0.2
EBIT	-0.1	0.2

Currency conversion impacts
The conversion impact on the Group's net sales was EUR -1.3 (1.2) million. The British pound accounted for EUR -1.0 (1.0) million and other currencies for EUR -0.3 (0.2) million.

The conversion impact was EUR -0.2 (0.2) million on the Group's comparable EBIT and EUR -0.1 (0.2) million on EBIT. The British pound accounted for EUR -0.2 (0.2) million and other currencies for EUR 0.0 (0.0) million.

Healthy food, continuing operations

KEY FIGURES FOR THE HEALTHY FOOD SEGMENT

		2023	2022	Change
Net sales	M€	143.8	143.0	0.6%
Western Europe	M€	59.8	64.1	-6.7%
Northern Europe	M€	74.3	67.9	9.5%
Eastern and Central Europe	M€	9.7	11.0	-12.0%
Comparable EBIT	M€	18.4	18.0	2.7%
Comparable EBIT	%	12.8	12.6	
EBIT	M€	17.9	18.0	-0.1%
EBIT	%	12.5	12.6	
Net assets	M€	82.8	83.9	

Net sales

The Healthy Food Segment's net sales totalled EUR 143.8 (143.0) million. Net sales increased clearly in Northern Europe, decreased clearly in Western Europe and fell significantly in Eastern and Central Europe. Net sales remained at the level of the comparison period, even though the sales volumes of certain brands decreased significantly in comparison to the comparison period. 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.

EBIT

The Healthy Food Segment's comparable EBIT amounted to EUR 18.4 (18.0) million, which accounted for 12.8 (12.6) per cent of net sales. The Healthy Food Segment's EBIT amounted to EUR 17.9 (18.0) million, which accounted for 12.5 (12.6) per cent of net sales. EBIT includes a total of EUR 0.5 million in costs related to reorganisation. During the reporting period, marketing investments decreased slightly from the level of 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.

Healthy ingredients, continuing operations

KEY FIGURES FOR THE HEALTHY INGREDIENTS SEGMENT

		2023	2022	Change
Net sales	M€	111.2	115.7	-4.0%
Comparable EBIT	M€	6.7	3.4	98.8%
Comparable EBIT	%	6.0	2.9	
EBIT	M€	6.7	3.4	98.8%
EBIT	%	6.0	2.9	
Net assets	M€	114.9	118.4	

Net sales

The Healthy Ingredients Segment's net sales totalled EUR 111.2 (115.7) million. Both domestic and international sales of grain products to bakeries and industrial and catering customers fell slightly from the level of the comparison period. Plant stanol ester deliveries to licence partners and the sales value of oat products and gluten-free oat products increased significantly during the review period. During the reporting period, the sales mix continued to shift towards more processed products. In B2B sales, the decline in consumer purchasing power and increased price competition resulted in lower sales volumes, but despite the price pressure we were able to maintain our accounts thanks to our high-quality products and timely deliveries.

EBIT

The Healthy Ingredients Segment's comparable EBIT amounted to EUR 6.7 (3.4) million, which accounted for 6.0 (2.9) per cent of net sales. The Healthy Ingredients Segment's EBIT was EUR 6.7 (3.4) million, which accounted for 6.0 (2.9) per cent of net sales.

It was a mixed year for the grain market. Early in the year, grain supply was good and prices were falling due to a relatively good grain harvest in 2022. After a very high price spike for raw materials in 2022, grain purchase prices were on a downward trend in the early part of the year. However, the raw material purchases during the period of high prices put a strain on the grain-consuming industry. The growing season was difficult. The drought in the early part of the season cut yield expectations, and the conditions at harvest time partly compromised grain quality. This left the percentage of grain meeting the milling industry's quality requirements exceptionally low. As a result, grain supply was very modest throughout the rest of the year. However, grain prices were relatively stable, mainly due to the market situation and price developments in the rest of Europe. Oat prices strengthened towards the end of the year due to growing export demand.

Balance sheet, cash flow and financing

At the end of December, the Raisio Group's balance sheet totalled EUR 323.8 million (31 December 2022: EUR 331.9 million). Shareholders' equity was EUR 260.1 million (31 December 2022: EUR 262.9 million). Equity per share totalled EUR 1.65 (31 December 2022: EUR 1.66) Changes in equity are described in detail in the Table section below.

The Group's cash flow from continuing business operations after financial items and taxes totalled EUR 37.0 (11.2) million. Cash flow was improved by a decrease in working capital and an improvement in profitability.

At the end of December, working capital from continuing operations amounted to EUR 37.1 million (31 December 2022: EUR 44.0 million).

The Group's interest-bearing debt was EUR 24.7 million (31 December 2022: EUR 27.0 million). Net interest-bearing debt was EUR -56.5 (31 December 2022: -41.2) million.

At the end of December, Raisio's financial assets recognised at fair value through profit or loss, as well as cash and cash equivalents, totalled EUR 81.2 million (31 December 2022: EUR 68.1 million). Cash reserves are primarily invested in low-risk, liquid investment objects.

At the end of December, the Group's equity ratio was 80.4 (31 December 2022: 79.2) per cent and net gearing was -21.7 (31 December 2022: -15.7) per cent. The return on invested capital (ROIC) for continuing operations was 7.9 (31 December 2022: 5.5) per cent and the comparable return on invested capital (ROIC) was 9.2 (31 December 2022: 5.6) per cent.

Raisio plc paid EUR 22.1 (22.2) million in dividends for 2022.

Investments, research and development

The January–December investments totalled EUR 9.0 (5.2) million, or 4.1 (2.3) 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. This was a replacement investment, which was completed on schedule in August 2023, and the start-up of the line went very well. The investment amounted to approximately EUR 4.1 million.

In line with our strategy, we will continue to invest to enable growth and develop our efficiency. Investments will focus on measures to improve energy efficiency and yield. During the review period, an investment decision was made to increase the process capacity of the plant producing spoonable and drinkable oat products. The investment is expected to be completed in the first half of 2024 and will amount to approximately EUR 2 million.

Raisio's research and development expenses in January–December totalled EUR 3.0 (2.9) million, or 1.4 (1.3) per cent of net sales. 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. We have continued to develop our long-term innovation process to ensure that research results are integrated more effectively into the development pipeline for new products. This cost impact will be covered mainly by efficiency measures already underway in production, procurement and support functions. During the comparison period, 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.

Administration and management

Board of Directors and Supervisory Board

The Board of Directors consisted of five members until the Annual General Meeting on 20 April 2023 and six members after the meeting. Erkki Haavisto, Leena Niemistö, Ann-Christine Sundell, Pekka Tennilä and Arto Tiitinen served as Board members throughout the financial year 2023, joined by Lauri Sipponen from the Annual General Meeting onwards. Arto Tiitinen was elected as Chairperson of the Board and Ann-Christine Sundell as Deputy Chairperson, effective from 20 April 2023 onwards.

In 2023, all the Board members were independent of the company and its major shareholders. The Supervisory Board was chaired by Paavo Myllymäki until the Annual General Meeting on 20 April 2023, after which it was chaired by Deputy Chairperson Holger Falck until 16 May 2023, when the Supervisory Board elected Tuomas Levomäki as Chairperson and Holger Falck as Deputy Chairperson.

Group Executive Committee

In addition to CEO Pekka Kuusniemi, the Group Executive Committee in 2023 included Chief Operating Officer Virpi Aaltonen, Chief Innovation Officer Reetta Andolin (from 14 August 2023 onwards), Chief Marketing Officer Annika Boström-Kumlin, Chief Development Officer Olavi Erkinjuntti (from 13 April 2023 onwards), Chief Legal Officer, Legal Affairs and Corporate Responsibility, Sari Koivulehto-Mäkitalo, Chief Sales Officer Mikko Lindqvist and Chief Financial Officer Mika Saarinen. Until 13 April 2023, the members of the Executive Committee also included Chief People Officer Taru Ämmälä and Chief Customer Officer Iiro Wester.

Report on non-financial information

Business model

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

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

Personnel

The Raisio Group's continuing operations employed 338 (344) people at the end of 2023. A total of 13 (14) per cent of employees worked outside Finland. Raisio's wages and fees for continuing operations in 2023 totalled EUR 26.2 (24.6) million including other personnel expenses.

The employee survey conducted at the end of 2023 shows a positive development in company culture and job satisfaction compared to the employee survey conducted in 2022. Overall, job satisfaction at Raisio is good.

The response rate to the survey was very high at 91%. The Employee Net Promoter Score (eNPS) was 39.5, compared to 19 in the previous survey.

Key goals and results of sustainable development

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

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

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

Risk management

Raisio's risk management has been renewed in recent years, and the new model has been applied from the beginning of 2022 onwards. The aim of the new operating model is to identify risks and ways of managing them more comprehensively, from as many different perspectives as possible.

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

In 2023, the approach was developed further, and an opportunity perspective was added to the risk assessment. The aim is to make risk management a part of ongoing action and discussion. Persistent topics on the risk map include issues related to material procurement, among others. In 2023, particular attention was paid to the security situation and cyber threats in Europe and the impact of climate change on harvests.

This year, we also launched a project to define how we can assess and manage the human rights impacts of our activities in our value chain. Raisio's human rights risks and impacts are very typical for food industry operators whose value chains extend to primary production, i.e. to the fields. The risks relate to sourcing countries, raw materials or suppliers whose business models are associated with a heightened risk of violations of labour rights, in particular.

More detailed information in the Annual Review

We will publish more detailed non-financial information and the objectives, policies and progress of the Good Food Plan in the week of 11 March as part of Raisio's Annual Review.

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–31 December 2022 period have been changed accordingly. Raisio plc's subsidiary, Raisio Nutrition Ltd, established a wholly owned subsidiary, Raisio Benelux B.V., in the Netherlands. It is responsible for sales in the Netherlands and Belgium.

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 caused by climate change, and changes in the availability, quality and price of energy and the key raw materials, such as grains and sterols, are a major challenge for Raisio's operations. Changes in key currencies relevant to Raisio and currency conversions affect Raisio's net sales and EBIT both directly and indirectly. Their overall impact is explained in detail in the financial reports to provide a better and more comprehensive overall picture of the situation and related risks.

Events following the financial year

Raisio had no reported events after the financial year.

Board of directors' proposal for the distribution of profits

The parent company's distributable assets based on the balance sheet on 31 December 2023 totalled EUR 124,349,500.46.

The Board of Directors proposes that a dividend of EUR 0.14 per share, of which EUR 0.03 as an extra dividend, be paid from the parent company's retained earnings. Hence, the proposed dividend will total EUR 22,283,847.04, and EUR 102,065,653.42 will be left in the profit account. However, no dividends will be paid on the shares held by the company on the record date 11 April 2024. The payment date of the dividend is proposed to be 18 April 2024.

In Raisio, Finland, 12 February 2024
Raisio plc
Board of Directors

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

Raisio's financial releases in 2024

Raisio plc's Annual Review for 2023 will be published on 14 March 2024. The Annual Review includes the financial statements, the consolidated financial statements, the Board of Directors' report, the auditor's report, the Supervisory Board's statement and the corporate responsibility report. Raisio will also publish its Corporate Governance Statement and Remuneration Report for 2023 at the same time.

Raisio's Interim Report for January–March will be published on 7 May 2024.
Raisio's Half-Year Financial Report for January–June will be published on 7 August 2024.
Raisio's Interim Report for January–September will be published on 5 November 2024.
The Financial Statements Bulletin has not been audited.

The information required by the Limited Liability Companies Act and the Decree of the Ministry of Finance on the Regular Duty of Disclosure of an Issuer of a Security, such as share classes, shareholders, share-based remuneration, related parties and key financial indicators, is presented in the sections 'Shares and shareholders' and 'Key financial indicators and reconciliations', which are part of the official Board of Directors' report.
The company has provided a corporate governance statement as a separate report.

SHARES AND SHAREHOLDERS

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

Shares and shareholders

Raisio plc's shares are listed on Nasdaq Helsinki Ltd. Raisio's market value at the end of 2023 was EUR 320.3 million. Overall trading totalled approximately EUR 49.1 million. The closing price of free shares on 31 December 2022 was EUR 1.98, and that of restricted shares EUR 2.15. The Board of Directors' dividend proposal for the spring 2024 Annual General Meeting is EUR 0.14 per share, of which EUR 0.11 is the basic dividend in accordance with the company's dividend policy and EUR 0.03 the supplementary dividend.

Share capital and share classes

The fully paid-up share capital of Raisio plc is EUR 27,776,072.91, which on 31 December 2022 was divided into 30,108,594 restricted shares (series K) and 129,061,742 free shares (series V). No nominal value is quoted for the shares. Restricted shares accounted for 18.9% of the share capital and 82.4% of the votes, while the corresponding figures for free shares were 81.1% and 17.6% (on 31 December 2022). The company's minimum share capital is EUR 25,000,000 and maximum share capital EUR 100,000,000. The share capital can be raised or lowered within these limits without amending the Articles of Association. There were no changes in the share capital during 2023. The company has not issued securities that entitle the holder to shares.

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

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

In order to obtain voting rights for restricted shares, the share recipient must seek the approval of the company's Board of Directors to register the restricted shares in the share register. The approval must be given if the share recipient is a natural person whose primary occupation is farming.

The Board of Directors may also convert restricted shares into free shares upon request. In 2023, a total of 4,748 restricted shares were converted into free shares. In the book-entry system, restricted shares for which the approval procedure is in progress or the approval has not been sought will be retained on the waiting list until they are entered as restricted shares in the share register following approval, assigned to another shareholder or converted into free shares. There were 9.0 million restricted shares on the waiting list on 31 December 2022.

BREAKDOWN OF SHARES AND VOTES BY SERIES 31 DECEMBER 2023

	No. of shares	% of shares	% of votes
Free shares	129,061,742	81.1	17.6
Restricted shares	30,108,594	18.9	82.4
Total	**159,170,336**	**100.0**	**100.0**

Ownership structure

At the end of 2023, Raisio plc had 38,340 registered shareholders (31 December 2022: 37,597). At the end of 2023, the proportion of the company's share capital under foreign ownership and nominee registrations was 15.3% (31 December 2022: 18.1%).

Shares held by management

The members of the Board of Directors and Supervisory Board and the CEO, as well as the companies and foundations of which they have control, held a total of 638,387 restricted shares and 542,502 free shares on 31 December 2022. This equals 0.7 per cent of all shares and 1.8 per cent of the total number of votes.

BREAKDOWN OF OWNERSHIP STRUCTURE ON 31 DECEMBER 2023 BY OWNER GROUP

	%
Households	51.4
Foreign owners [2)]	15.3
Private enterprises [3)]	8.9
Financial and insurance institutions [1)]	7.2
Non-profit organisations	3.0
Waiting list	5.7
Public entities	8.5

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

BREAKDOWN OF OWNERSHIP STRUCTURE ON 31 DECEMBER 2023 BY NUMBER OF SHARES HELD

	Free shares				Restricted shares			
Shares	Shareholders		Shares		Shareholders		Shares	
no.	no.	%	no.	%	no.	%	no.	%
1–1,000	24,781	67.4	9,949,968	7.7	2,287	57.8	800,584	2.7
1,001–5,000	9,430	25.6	22,218,659	17.2	1,062	26.8	2,567,012	8.5
5,001–10,000	1,542	4.2	11,402,586	8.8	317	8.0	2,251,302	7.5
10,001–25,000	718	2.0	11,152,332	8.6	197	5.0	3,138,212	10.4
25,001–50,000	185	0.5	6,574,258	5.1	56	1.4	1,844,604	6.1
50,001–	123	0.3	67,763,939	52.5	37	0.9	10,464,103	34.8
waiting list							9,042,777	30.0
total	36,779	100.0	129,061,742	100.0	3,956	100.0	30,108,594	100.0

25 LARGEST SHAREHOLDERS ON 31 DECEMBER 2023 ACCORDING TO THE SHAREHOLDERS' REGISTER

Shareholders	Series K	Series V	Total	%	Votes	%
Varma Mutual Pension Insurance Company	0	5,252,083	5,252,083	3.30	5,252,083	0.72
The Central Union of Agricultural Producers and Forest Owners (MTK)	3,733,980	199,000	3,932,980	2.47	74,878,600	10.24
Niemistö Kari Pertti Henrik	60,000	2,840,000	2,900,000	1.82	4,040,000	0.55
Veritas Pension Insurance	0	2,551,612	2,551,612	1.60	2,551,612	0.35
Aktia Capital Fund	0	1,963,647	1,963,647	1.23	1,963,647	0.27
Relander Pär-Gustaf	0	1,855,068	1,855,068	1.17	7,371,988	0.25
Elo Mutual Pension Insurance Company	0	1,792,793	1,792,793	1.13	1,792,793	0.25
Ilmarinen Mutual Pension Insurance Company	0	1,684,428	1,684,428	1.06	1,684,428	0.23
OP-Finland Small Cap	0	1,613,037	1,613,037	1.01	1,613,037	0.22
The State Pension Fund of Finland	0	1,300,000	1,300,000	0.82	1,300,000	0.18
Nordea Pro Finland Fund	0	1,181,043	1,181,043	0.74	1,181,043	0.16
Maa- ja vesitekniikan tuki r.y.	0	1,000,000	1,000,000	0.63	1,000,000	0.14
Oy Etra Invest Ab	0	1,000,000	1,000,000	0.63	1,000,000	0.14
Fondita Nordic Micro Cap	0	910,000	910,000	0.57	910,000	0.12
Laakkonen Mikko Kalervo	0	826,823	826,823	0.52	826,823	0.11
Svenska lantbruksproducenternas centralförbund SLC rf.	772,500	0	772,500	0.49	15,450,000	2.11
Langh Hans Christian	679,980	0	679,980	0.43	13,599,600	1.86
Säästöpankki Pienyhtiöt Fund	0	661,044	661,044	0.42	661,044	0.09
Saari Markku Samuel	601,973	1,810	603,783	0.38	12,041,270	1.65
Keskitien Tukisäätiö	100,000	500,000	600,000	0.38	2,500,000	0.34
Haavisto Maija Helena	393,120	195,099	588,219	0.37	8,057,499	1.10
Haavisto Heikki Johannes, estate	579,656	0	579,656	0.36	11,593,120	1.59
eQ Finland Fund	0	568,061	568,061	0.36	568,061	0.08
Seafarers' Pension Fund	0	543,751	543,751	0.34	543,751	0.07
Haavisto Erkki	364,940	159,851	524,791	0.33	7,458,651	1.02

Shares registered under foreign ownership, including nominee registrations, totalled 24,385,527, or 15.32% of the total number of shares.

Shareholder agreements

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

Flagging notifications

During 2023, the company received one notification of major holdings pursuant to chapter 9, section 5 of the Securities Markets Act. According to the notification by the Central Union of Agricultural Producers and Forest Owners (MTK), the number of votes attached to Raisio plc shares held by MTK had increased to more than 10% of the total number of votes. Details of the notification are available at https://www.raisio.com/en/investors/shareholders/flagging-notifications/.

Dividend policy and dividend

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

The AGM held in April 2023 decided on a dividend of EUR 0.14 per share, including an extra dividend of EUR 0.06 per share. The dividend was paid to shareholders on 3 May 2023; however, no dividend was paid on the shares held by the company.

The Board's dividend proposal for the spring 2024 AGM is EUR 0.14 per share, of which EUR 0.11 is the basic dividend in accordance with the company's dividend policy and EUR 0.03 the supplementary dividend. The record date is 11 April 2024 and the payable date 18 April 2023.

Raisio shares traded on Stock Exchange in 2023

The highest price of the series V share was EUR 2.68, the lowest EUR 1.88 and the average price EUR 2.21. The year-end price of the V share was EUR 1.98. A total of 20.8 million V shares were traded (33.5 million in 2022). The value of share trading was EUR 45.9 million (EUR 77.0 million in 2022).

The highest price of the series K share was EUR 2.72 and the lowest EUR 1.90 and the average price was EUR 2.19. The year-end price of the K share was EUR 2.15. A total of 1.4 million K shares were traded (1.3 million in 2022), and the value of share trading was EUR 3.1 million (EUR 3.4 million in 2022).

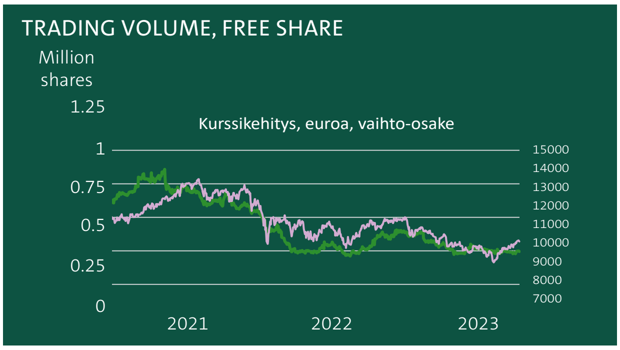
At the end of 2023, the share capital had a market value of EUR 320.3 million (EUR 402.2 million in 2022), and EUR 317.9 million (EUR 399.2 million in 2022) excluding the shares held by the company.

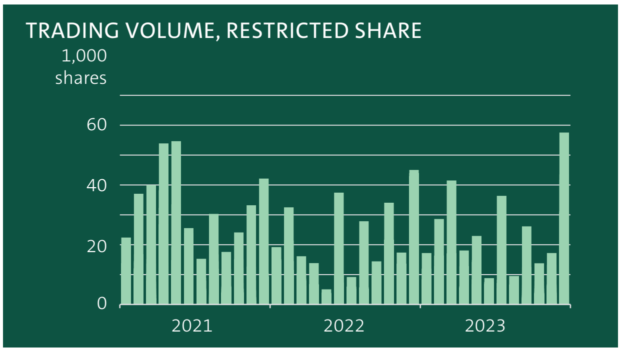
Company shares

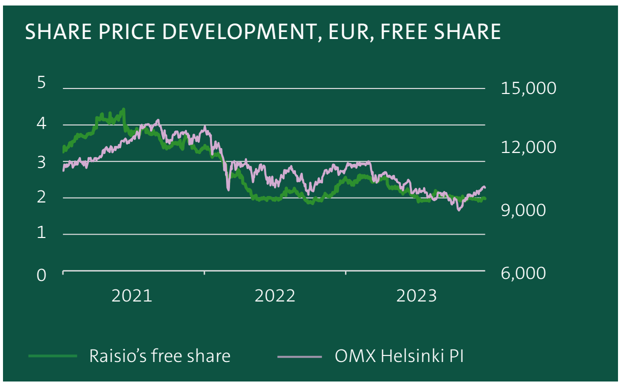
At the end of the review period, Raisio plc held 1,202,343 free shares but no restricted shares. The number of free shares held by Raisio plc accounts for 0.9 per cent of all free shares and the votes they represent. The holding represents 0.8 per cent of the total share capital and 0.2 per cent of overall votes. The other Group companies do not hold any Raisio plc shares.

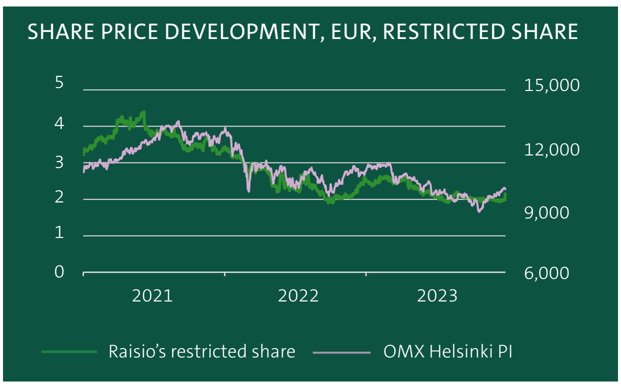
Raisio plc and its subsidiaries do not have any company shares as collateral, nor have they had any during the review period.

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









Acquisition and conveyance of own shares

Based on the authorisation given by the AGM 2023, the Board can acquire and/or accept as pledge in one or more lots a maximum of 6,250,000 shares at a time; of which up to 5,000,000 may be free shares and up to 1,250,000 restricted shares. The authorisation will be valid until the conclusion of the following Annual General Meeting and at the latest 30 April 2023. The number of own shares that can be purchased and/or accepted as collateral based on this authorisation totals 3.9 per cent of all shares and 4.1 per cent of the votes they represent.

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

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

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

In the financial period, a total of 21,379 free shares were assigned to the Chairperson and members of the Board as part of the compensation for managing their duties, in line with the decision taken by the AGM in 2023. The value of free shares assigned as fees to the Board was EUR 44,158.19 at the time of the assignment.

Forfeiture of Raisio plc shares held in the joint account

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

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

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

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

By decision of the Board of Directors on 19 January 2023, the company has cancelled the 587,728 restricted shares and 178,270 free shares held in the joint account, which had been transferred to the company in accordance with the resolution of the AGM on the forfeiture of shares described above. The cancellation had no impact on the company's share capital. The cancellation was entered into the Trade Register on 2 March 2022.

Share issue authorisation

The 2023 AGM authorised the Board 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 number of shares held by the company on 31 December 2023 and disposable under the authorisation equals 0.8 per cent of the share capital and 0.2 per cent of the votes it represents. The number of new shares that can be issued under the authorisation equals 6.3 per cent of the share capital and 1.4 per cent of the votes it represents.

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

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

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

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

Corporate Governance

Annual General Meeting and senior management

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

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

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

The Supervisory Board supervises the corporate administration run by the Board and CEO and gives the AGM a statement on the financial statements and auditor's report.

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

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

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

Amendments to the Articles of Association

As a rule, the amendment of the Articles of Association requires that the proposed amendment is supported by at least two-thirds of the votes cast and the shares represented at the meeting. However, in order to amend sections 6, 7, 8, 9 and 18 of the Articles of Association, the decision must be made by a three-quarters majority of the votes cast and shares represented at two consecutive General Meetings held at least 20 days apart. In certain matters, the Limited Liability Companies Act requires a vote by classes of shares and shareholder approval. The Articles of Association have not been amended or proposed to be amended during 2023.

Share indicators

	2023	2022	2021
Undiluted earnings/share (EPS), € [1)]	0.11	0.03	0.13
Diluted earnings/share (EPS), € [1)]	0.11	0.03	0.13
Undiluted earnings/share (EPS), continuing operations, € [1)]	0.11	0.08	0.11
Diluted earnings/share (EPS), continuing operations, € [1)]	0.11	0.08	0.11
Undiluted comparable earnings/share (EPS), continuing operations, € [1)]	0.13	0.08	0.12
Undiluted earnings/share (EPS), discontinued operations, € [1)]	0.00	-0.05	0.02
Cash flow from business operations/share, € [1)]	0.23	0.07	0.22
Equity/share, € [1)]	1.65	1.66	1.77
Dividend/share, €	0.14	0.14	0.14
Dividend/earnings, %	128.5	464.2	105.7
Dividend/earnings, continuing operations, %	126.2	177.3	122.6

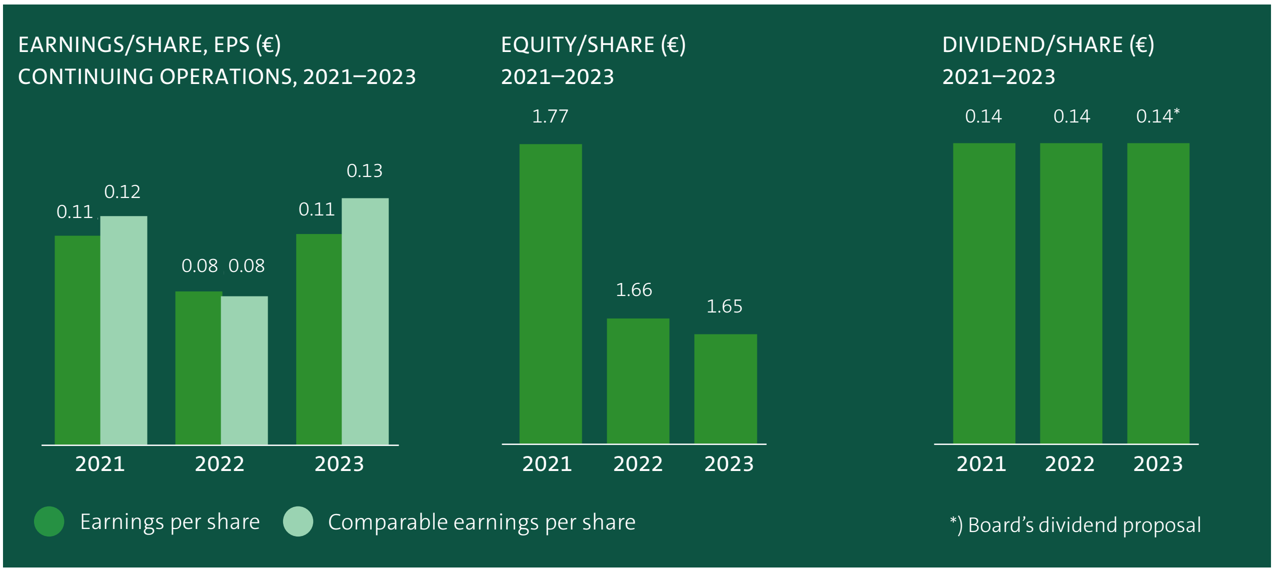
[1)] The number of shares used in the indicator excludes company shares held by the Group.
Dividend per share, 2023: Dividend of EUR 0.14 per share, including an extra dividend of EUR 0.03 per share, as proposed by the Board of Directors.
Dividend per share, 2022: EUR 0.14 per share, including an extra dividend of EUR 0.06 per share.
Dividend per share, 2021: 0.14 per share, including an extra dividend of EUR 0.04 per share

Share indicators

[1] The number of shares used in the indicator excludes company shares held by the Group.

	2023	2022	2021
Effective dividend yield, %			
Free shares	7.1	5.6	4.2
Restricted shares	6.5	5.3	4.1
P/E ratio			
Free shares	18.0	82.6	25.4
Restricted shares	19.5	86.9	25.7
Adjusted average quotation, €			
Free shares	2.21	2.30	3.80
Restricted shares	2.19	2.50	3.78
Adjusted lowest quotation, €			
Free shares	1.88	1.82	3.20
Restricted shares	1.90	1.86	3.19
Adjusted highest quotation, €			
Free shares	2.68	3.44	4.49
Restricted shares	2.72	3.57	4.40
Adjusted quotation 31 December, €			
Free shares	1.98	2.49	3.37
Restricted shares	2.15	2.62	3.41
Market capitalisation 31 December, M€ [1]			
Free shares	253.2	318.7	430.4
Restricted shares	64.7	80.4	104.9
Total	317.9	399.2	535.2
Trading, M€			
Free shares	45.9	77.0	102.3
Restricted shares	3.1	3.4	7.1
Total	49.1	80.4	109.5
Number of shares traded			
Free shares, 1,000 shares	20,802	33,501	26,909
% of total	16.3	26.2	20.1
Restricted shares, 1,000 shares	1,434	1,345	1,885
% of total	4.8	4.4	6.1
Average adjusted number of shares, 1,000 shares [1]			
Free shares	127,855	127,935	127,268
Restricted shares	30,163	30,705	30,933
Total	158,018	158,640	158,201
Adjusted number of shares 31 December, 1,000 shares [1]			
Free shares	127,859	128,012	127,708
Restricted shares	30,109	30,701	30,748
Total	157,968	158,713	158,456

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



Calculation of share indicators

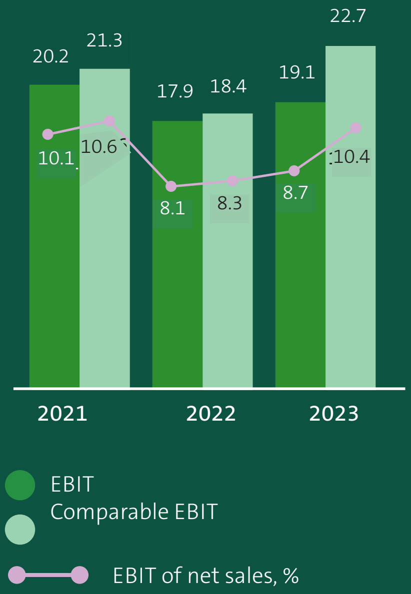
Undiluted earnings per share	$\frac{\text{Result for the financial year to parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$
Undiluted comparable earnings per share	$\frac{\text{Comparable result for the financial year to parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$
Undiluted earnings per share, continuing operations	$\frac{\text{Result from continuing operations for the financial year to parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$
Undiluted comparable earnings per share, continuing operations	$\frac{\text{Comparable result from continuing operations for the financial year to parent company shareholders result for the period}}{\text{Average number of shares for the year, adjusted for share issue}}$
Undiluted earnings per share, discontinued operations	$\frac{\text{Result from discontinued operations for the financial year to parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$
Cash flow from business operations per share	$\frac{\text{Cash flow from business operations}}{\text{Average number of shares for the year, adjusted for share issue}}$
Shareholders' equity per share	$\frac{\text{Equity of parent company shareholders}}{\text{Number of shares on 31 DECEMBER, adjusted for share issue}}$
Dividend per share	$\frac{\text{Dividend distributed for the financial year}}{\text{Number of shares at the end of the financial year}}$
Dividend per earnings, %	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
Effective dividend yield, %	$\frac{\text{Dividend per share, adjusted for share issue}}{\text{Closing price, adjusted for share issue}} \times 100$
Price per earnings (P/E ratio)	$\frac{\text{Closing price, adjusted for share issue}}{\text{Earnings per share}}$
Market capitalisation	Closing price, adjusted for share issue x number of shares on 31 DECEMBER without company shares held by the Group

KEY FINANCIAL INDICATORS AND RECONCILIATIONS

Key financial indicators

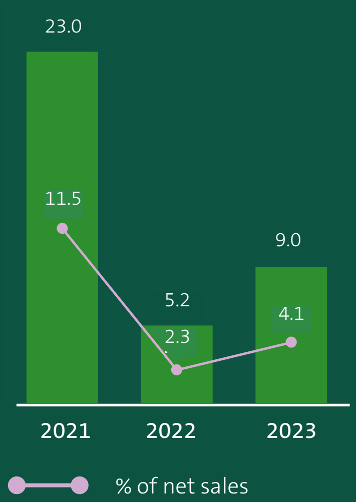
	2023	2022	2021
Result and profitability			
Net sales, EUR million	219.5	220.8	200.0
Change, %	-0.6	10.4	7.7
International net sales, EUR million	106.1	114.8	115.2
% of net sales	48.3	52.0	57.6
Operating margin, EUR million	30.3	27.8	27.8
% of net sales	13.8	12.6	13.9
Comparable operating margin, EUR million	32.8	28.3	28.8
% of net sales	15.0	12.8	14.4
Deprecation and write-downs, EUR million	11.2	10.0	7.6
EBIT, EUR million	19.1	17.9	20.2
% of net sales	8.7	8.1	10.1
Comparable EBIT, EUR million	22.7	18.4	21.3
% of net sales	10.4	8.3	10.6
Result before taxes	22.2	15.0	21.1
% of net sales	10.1	6.8	10.6
Return on equity, %, continuing operations	6.7	4.6	6.5
Return on invested capital, ROIC, %	7.8	2.0	8.8
Comparable return on invested capital, ROIC, %	9.0	4.9	8.3
Return on invested capital, ROIC, %, continuing operations	7.9	5.5	8.0
Comparable return on invested capital, ROIC, %, continuing operations	9.2	5.6	8.4
Financing and financial position			
Shareholders' equity, EUR million	260.1	262.9	280.7
Interest-bearing financial liabilities, EUR million	24.7	27.0	29.1
Net interest-bearing financial liabilities, EUR million	-56.5	-41.2	-60.0
Balance sheet total, EUR million	323.8	331.9	354.4
Equity ratio, %	80.4	79.2	79.3
Net gearing, %	-21.7	-15.7	-21.4
Cash flow from business operations, EUR million	36.7	11.6	34.5
Cash flow from business operations per share, EUR million	0.23	0.07	0.22
Working capital, continuing operations	37.1	44.0	29.9
Other indicators			
Gross investments, EUR million	9.0	5.2	23.0
% of net sales	4.1	2.3	11.5
R&D expenses, EUR million	3.0	2.9	3.1
% of net sales	1.4	1.3	1.6
Average personnel	344	342	327

EBIT (EUR MILLION)
2021–2023



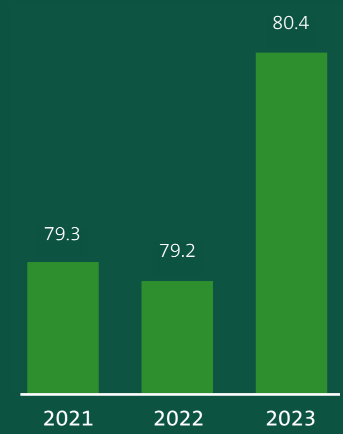
R&D EXPENSES (EUR MILLION)
2021–2023

INVESTMENTS (EUR MILLION)
2021–2023

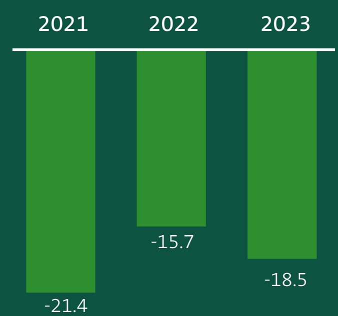


excluding acquisitions

EQUITY RATIO (%)
2021–2023



NET GEARING (%)
2021–2023



Group's quarterly net sales and earnings

(EUR million)	10–12/2023	7–9/2023	4–6/2023	1–3/2023	10–12/2022	7–9/2022	4–6/2022	1–3/2022
Net sales by segment								
Healthy Food	35.5	36.3	34.9	37.0	35.6	36.7	35.1	35.6
Healthy Ingredients	27.1	29.5	26.1	28.6	29.1	29.6	29.4	27.6
Other Operations	0.8	0.8	0.8	0.6	0.6	0.5	0.5	0.5
Interdivisional	-9.2	-10.5	-9.1	-9.8	-9.7	-10.3	-9.4	-10.5
Total net sales	**54.2**	**56.1**	**52.7**	**56.5**	**55.6**	**56.5**	**55.5**	**53.2**
EBIT by segment								
Healthy Food	5.0	5.6	4.0	3.3	4.5	6.6	4.1	2.7
Healthy Ingredients	1.2	1.8	1.9	1.8	1.8	0.2	1.4	0.0
Other Operations	-3.2	-0.3	-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	0.0	0.0
Total EBIT	**3.1**	**7.0**	**5.0**	**4.0**	**5.9**	**6.2**	**4.4**	**1.5**
Financial income and expenses, net	1.4	0.6	0.7	0.4	0.3	-0.7	-1.2	-1.3
Result before taxes	**4.4**	**7.6**	**5.7**	**4.4**	**6.2**	**5.5**	**3.2**	**0.2**
Income taxes	-0.6	-1.7	-1.5	-0.9	-1.1	-1.0	-0.2	-0.2
Group result	**3.8**	**5.9**	**4.2**	**3.5**	**5.0**	**4.5**	**3.0**	**0.0**

(EUR million)	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

(EUR million)	10–12/ 2023	7–9/ 2023	4–6/ 2023	1–3/ 2023	10–12/ 2022	7–9/ 2022	4–6/ 2022	1–3/ 2022
Net sales in strategic focus areas								
Benecol® and plant stanol solutions	26.2	25.6	26.9	27.8	28.8	28.2	28.4	28.4
Value-added oat products and ingredients	14.0	15.2	13.7	15.1	13.2	13.7	12.2	12.3
Plant proteins	1.2	1.3	1.2	1.7	1.5	1.6	1.7	1.8
Total net sales	41.5	42.2	41.7	44.7	43.5	43.6	42.3	42.5

The Healthy Growth Strategy is built around three areas of focus

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

Value-added oat products and ingredients
Raisio will continue its international expansion based on its strong oat expertise in both the B2B and consumer markets.

Plant proteins
Consumer choices are increasingly directed towards healthy and sustainably produced, plant-based food. Raisio wants to strengthen its position in this promising and fast-growing market in Finland as well as internationally.

Calculation of indicators

Alternative key figures

EBIT

Earnings before income taxes, financial income and expenses presented in the IFRS consolidated income statement.

EBIT illustrates the economic profitability of operations and its development.

Comparable EBIT

EBIT +/- items affecting comparability

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

EBIT, %

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

The figure shows the relationship between EBIT and net sales.

Comparable EBIT, %

$$\frac{\text{Comparable EBIT}}{\text{Comparable net sales}} \times 100$$

The figure shows the relationship between EBIT and net sales without items affecting comparability.

EBITDA

EBIT + depreciation and impairment

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

Comparable EBITDA

EBIT +/- items affecting comparability + depreciation and impairment

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

Result before taxes

Earnings before income taxes presented in the IFRS consolidated statements.

Return on equity (ROE), %

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

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

Return on invested capital (ROIC), %

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

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

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

Return on invested capital (ROIC), %, comparable

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

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

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

Calculation of indicators

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

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

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

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

Equity ratio, %

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

Net interest-bearing financial liabilities

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

Net gearing, %

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

Reconciliations related to cash flow statement

ADJUSTMENTS TO BUSINESS CASH FLOWS

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

(EUR million)	2023	2022
Impairment for intangible and tangible fixed assets	1.1	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	0.5	0.1
Provisions	0.5	
Other	-0.3	-0.3
Total adjustments in cash flow statement	0.8	7.4

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

ACQUISITIONS AND DISPOSALS OF FIXED ASSETS OF CASH FLOW FROM INVESTING

(EUR million)	2023	2022
Acquisitions of fixed assets in total	-9.0	-5.5
Payments for investments of earlier financial periods (change in liabilities)	0.9	1.1
Investments funded by lease commitments or other interest-bearing debt	-3.1	-2.9
Fixed asset acquisitions funded by cash payments	**-11.2**	**-7.3**
Capital gain and loss on fixed assets in the income statement	0.0	1.8
Balance sheet value of disposed asset	0.0	0.1
Consideration received from fixed asset divestments in the cash flow statement	**0.0**	**1.9**

DISPOSAL OF SUBSIDIARY SHARES OF CASH FLOW FROM INVESTING

(EUR million)	2023	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
Selling price, debt-free	7.5	0.0
Proceeds in the cash flow statement adjusted by cash at the date of transfer	**7.4**	**-2.8**

RECONCILIATION OF LIABILITIES RELATED TO FINANCING ACTIVITIES

			Non-cash changes			
(EUR million)	31 December 2022	Cash flows	IFRS 16	Changes in exchange rates	Other changes	31 December 2023
Non-current liabilities	0.2	-0.1				0.1
Lease liabilities	26.8	-3.1	0.9	0.0	0.0	24.6
Total liabilities for financing activities	**27.0**	**-3.1**	**0.9**	**0.0**	**0.0**	**24.7**

Alternative key figures and items affecting comparability

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

The alternative figure is derived from the IFRS financial statements. It is possible to present items affecting comparability and calculate alternative key figures without items affecting comparability in the Board of Directors' report, Financial Statements Bulletin, Half-Year Reports and Interim Reports. Items affecting comparability are income or expenses arising as a result of rare events. Expenses of outside experts related to business acquisitions and business expansion, expenses related to business reorganisation and expenses related to the impairment of assets and their possible repayment are presented as items affecting comparability.

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

Reconciliations of alternative key figures

ITEMS AFFECTING COMPARABLE EBIT

(EUR million)	2023	2022
Comparable EBIT	22.7	18.4
- Expenses related to business expansion	-1.7	-0.5
- Expenses related to restructuring	-0.9	
- Impairment of fixed assets	-1.1	
Items affecting comparability, in total	-3.6	-0.5
EBIT	19.1	17.9

ITEMS AFFECTING COMPARABLE EBITDA, RAISIO GROUP

(EUR million)	2023	2022
Comparable EBITDA	32.8	28.3
+/- Items affecting EBIT	-3.6	-0.5
Items affecting comparability, in total	-3.6	-0.5
EBITDA	30.3	27.8
+/- Impairment	-1.1	
+/- Depreciation	-10.1	-10.0
EBIT	19.1	17.9

ITEMS AFFECTING COMPARABLE EBIT, HEALTHY FOOD SEGMENT

(EUR million)	2023	2022
Comparable EBIT	18.4	18.0
- Expenses related to restructuring	-0.5	
Items affecting comparability, in total	-0.5	0.0
EBIT	17.9	18.0

Torino® pastas have been using Finnish raw materials in innovative ways since 1990. The new pasta line will enable even more innovative pasta products in the future.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement (IFRS)

(EUR million)	Note	1–12/2023	1–12/2022
Net sales	2.2.1	**219.5**	**220.8**
Cost of sales		-159.2	-167.0
Gross profit		**60.3**	**53.8**
Sales and marketing expenses		-26.0	-24.5
Administration expenses		-10.9	-9.9
Research and development expenses		-3.0	-2.9
Other operating income and expenses	9.1.1	-1.3	1.5
EBIT		**19.1**	**17.9**
Financial income	5.1	4.7	1.0
Financial expenses	5.1	-1.7	-3.8
Result before taxes		**22.2**	**15.0**
Income taxes	6.1	-4.6	-2.5
Result for the period from continuing operations		**17.5**	**12.5**
Result for the period from discontinued operations		**-0.3**	**-7.7**
Total result for the period		**17.2**	**4.8**
Attributable to			
Equity holders of the parent company		17.2	4.8
Non-controlling interests		-	-
Earnings per share from the profit attributable to equity holders of the parent company, EUR/share	7.3		
Undiluted earnings per share		0.11	0.03
Diluted earnings per share		0.11	0.03
Undiluted earnings per share, continuing operations		0.11	0.08
Undiluted earnings per share, discontinued operations		0.00	-0.05

Consolidated comprehensive income statement (IFRS)

(EUR million)	Note	1–12/2023	1–12/2022
Result for the period, continuing and discontinued operations		17.2	4.8
Other comprehensive income items			
Items that will not be reclassified to profit or loss			
Change in fair value of equity investments		0.6	0.6
Change in tax impact	6.3	-0.1	-0.1
Items that will not be reclassified to profit or loss		0.4	0.5
Items that may be subsequently transferred to profit or loss			
Change in value of cash flow hedging		-0.5	1.5
Change in value of fair value hedging		-0.1	-
Change in translation differences related to foreign companies		1.4	-2.5
Change in tax impact	6.3	0.1	-0.3
Items that may be subsequently transferred to profit or loss		0.9	-1.4
Total other comprehensive income items		1.4	-0.9
Comprehensive income for the period		18.6	3.9
Components of comprehensive income			
Equity holders of the parent company		18.6	3.9
Non-controlling interests			
Total		18.6	3.9

Consolidated balance sheet

(EUR million)	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Goodwill	4.1	47.9	47.0
Intangible assets	4.2	32.4	33.5
Tangible fixed assets	4.5.1	66.8	65.2
Tangible right-of-use assets	4.5.1	24.3	26.6
Equity investments	4.7	3.6	3.0
Deferred tax assets	6.2	3.3	3.7
		178.4	**179.0**
Current assets			
Inventories	4.8	34.3	42.8
Accounts receivable and other receivables	5.3.2	28.9	31.0
Derivative contracts	5.3.4	1.0	1.4
Financial assets at fair value through profit or loss	5.3.4	50.1	38.7
Liquid funds	5.3.5	31.1	31.9
		145.4	**145.8**
Assets classified as being held for sale			**7.1**
TOTAL ASSETS		**323.8**	**331.9**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	7.1		
Equity attributable to equity holders of the parent company			
Share capital		27.8	27.8
Premium fund		2.9	2.9
Reserve fund		88.6	88.6
Invested unrestricted shareholders' equity fund		20.8	20.8
Other funds		1.0	1.1
Company shares		-2.8	-2.9
Translation differences		-15.9	-17.3
Retained earnings		137.7	141.9
		260.1	**262.9**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	6.2	11.9	10.0
Non-current financial liabilities	5.3.6	18.4	23.7
		30.3	**33.7**
Current liabilities			
Accounts payable and other liabilities	5.3.7	26.4	31.0
Provisions		0.5	-
Tax liability based on the taxable income for the period	6.1	0.1	0.1
Derivative contracts		0.2	0.1
Current financial liabilities		6.3	3.2
		33.4	**34.4**
Liabilities related to assets held for sale		-	**0.9**
TOTAL LIABILITIES		63.7	69.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**323.8**	**331.9**

Consolidated statement of changes in equity

(EUR million)	Share capital	Share premium reserve	Reserve fund	Invested unrestricted shareholders' equity fund	Other funds	Company shares	Translation differences	Retained earnings	Equity attributable to equity holders of the parent company
Shareholders' equity 1 January 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								17.2	17.2
Other comprehensive income items									
Items that will not be reclassified to profit or loss									
Change in equity investments					0.6				0.6
Change in tax impact					-0.1				-0.1
Items that may be subsequently transferred to profit or loss									
Change in value of cash flow hedging					-0.5				-0.5
Change in value of fair value hedging					-0.1				-0.1
Change in translation differences related to foreign companies							1.4		1.4
Change in tax impact					0.1				0.1
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-0.1	0.0	1.4	17.2	18.6
Business activities involving shareholders									
Dividends								-22.1	-22.1
Unclaimed dividends								0.3	0.3
Share-based payments						0.0		0.5	0.5
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-21.4	-21.4
Shareholders' equity 31 December 2023	27.8	2.9	88.6	20.8	1.0	-2.8	-15.9	137.7	260.1

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

Consolidated cash flow statement

(EUR million)	Note	1–12/2023	1–12/2022
CASH FLOW FROM BUSINESS OPERATIONS			
Result before taxes, continuing and discontinued operations		**21.8**	6.5
Adjustments:			
Planned depreciation		10.1	10.3
Financial income and expenses		-3.1	2.8
Other adjustments	Page 64	0.8	7.4
Total adjustments		**7.9**	20.6
Cash flow before change in working capital		29.6	27.1
Change in working capital			
Increase (-) / decrease (+) in current receivables		2.4	-0.1
Increase (-) / decrease (+) in inventories		8.3	-10.3
Increase (+) / decrease (-) in current interest-free liabilities		-3.3	-1.8
		7.4	-12.3
Cash flow from business operations before financial items and taxes		37.0	14.8
Interest paid and payments for other financial expenses from business operations		-1.3	-0.5
Dividends received from business operations		0.3	0.3
Interest received and other financial income from business operations		1.7	0.5
Other financial items, net		0.2	-0.5
Income taxes paid		-1.2	-3.0
Net cash flow from business operations		**36.7**	11.6
CASH FLOW FROM INVESTMENTS			
Investment in tangible assets		-7.2	-3.7
Investment in intangible assets		-0.9	-0.7
Proceeds from transfer of shares in a Group company adjusted for liquid funds at the date of transfer		7.4	-2.8
Proceeds from equity investments		0.0	0.4
Income from intangible and tangible assets		-	1.6
Net cash flow from investments		**-0.7**	-5.2
Cash flow after investments		**36.0**	6.4
CASH FLOW FROM FINANCIAL OPERATIONS			
Other financial items, net		-	-0.1
Payments associated with the reduction in lease liability		-3.1	-2.9
Repayment of non-current loans		-0.1	-0.1
Dividends paid to shareholders		-22.1	-22.1
Net cash flow from investments		**-25.3**	-25.2
CHANGE IN LIQUID FUNDS		**10.8**	-18.8
Liquid funds at the beginning of the period		**68.1**	89.0
Impact of changes in exchange rates		0.0	0.2
Impact of changes in the fair value of liquid funds		2.3	-2.3
Liquid funds at the end of the period	5.3.5	**81.2**	68.1

The cash flow of the comparison period 1 January–31 December 2022 includes a return of EUR 1.1 million in pension fund surplus.


Elovena
KAURAVÄLIPALA
MUSTIKKA & VADELMA
Havremål | Blåbär & hallon
NAUTI JOGURTIN TAPAAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

1 Accounting policies for the consolidated financial statements

1.1 Raisio Group

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

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

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

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

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

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

The consolidated financial statements have been prepared for the 12-month financial year of 1 January–31 December 2023. These financial statements were authorised for issue by Raisio plc's Board of Directors at its meeting on 12 February 2024. Under the Finnish Companies Act, shareholders are entitled to adopt or reject the financial statements at the Annual General Meeting held after the publication of the financial statements. The Annual General Meeting may also decide to amend the financial statements.

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

1.2 Accounting policies for the financial statements

Basis of presentation

Raisio's consolidated financial statements have been prepared according to the International Financial Reporting Standards (IFRS) and following the IAS and IFRS standards and SIC and IFRIC interpretations in effect on 31 December 2022. The Raisio Group has applied the standard requirements and interpretations applicable to the Raisio Group that came into force during the financial period. The IFRS standards and their amendments that entered into effect in 2023 have had no material impact on the Group's result for the financial year, financial position or presentation of the financial statements.

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

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

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

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

Effects of climate-related issues on the financial statements
Responsibility is an essential part of the Raisio Group's strategy for profitable growth. The strategic importance of this issue is underlined by the fact that the short-term reward programme for Raisio's management also includes indicators linked to environmental and climate-related actions. Raisio's responsibility work focuses on five themes: Healthy Food, Sustainable Food Chain, Environmentally Friendly Packaging, Food Professionals and Environment & Climate Action. One of the key objectives of Raisio's sustainability programme has been the carbon neutrality of its production facilities by the end of 2023. This was achieved in December 2023, when the last one of Raisio's own factories found a solution for using carbon-neutral energy. Raisio's carbon neutrality percentage is 99.7% at the end of 2023. Climate-related issues have had a direct impact on only a few aspects of Raisio's consolidated financial statements. Energy efficiency is taken into account when investing in fixed assets, which affects non-current assets (Note 4.5 Tangible fixed assets) and the determination of future cash flow projections in the context of goodwill impairment testing (Note 4.4 Impairment testing of goodwill and assets with indefinite useful lives). The extreme weather phenomena brought about by climate change have also had an impact on Raisio's profitability due to the variable harvest conditions and the resulting fluctuations in grain quality and price. 2023 was a mixed year for the grain market. Early in the year, grain supply was good and prices were slightly falling due to a relatively good grain harvest in 2022. However, the raw material purchases during the period of high prices put a strain on the grain-consuming mill industry. The growing season was difficult in 2023. The drought in the early part of the season cut yield expectations, and the conditions at harvest time partly compromised grain quality. This left the percentage of grain meeting the milling industry's quality requirements exceptionally low.

1.3 Consolidation principles

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

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

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

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

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

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

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

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

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

For the Raisio Group, the most significant estimates in which management has used discretion relate to the possible impairment of assets of goodwill and intangible assets with indefinite financially useful lives, the fair value determination of the assets acquired in the business combination, the classification and presentation of assets and fair value determination in the business divestment, the amount of deferred tax asset and to what extent the tax asset can be recognised in the balance sheet, the determination of depreciation periods, the assessment of accounts receivable and inventories, and the determination of lease periods in lease accounting.

KEY ESTIMATES AND AREAS OF DISCRETION
1 JANUARY–31 DECEMBER 2023

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

1.5 Foreign currency transactions and translations

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

Business transactions in foreign currency

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

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

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

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

1.6 New and amended standards during the last financial period

The Raisio Group has applied the standard amendments and interpretations concerning the Raisio Group that came into force during the financial year, including the changes to the IAS 12 Income Taxes standard. The IFRS standards and their amendments that entered into effect in 2023 have had no material impact on the Group's result for the financial year, financial position or presentation of the financial statements.

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

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

- Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-current. The amendment clarifies how liabilities should be classified as current or non-current when a company has the right to defer settlement of the liability for at least 12 months.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

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

1.8 Events following the financial year

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

2 Income and segment information

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

2.1 Information by segment

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

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

Accounting policies

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

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

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

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

Key estimates and discretionary solutions

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

INCOME STATEMENT INFORMATION BY SEGMENT, 2023

1 January–31 December 2023 (EUR million)	Healthy Food	Healthy Ingredients	Other Operations	Eliminations	Group total
External sales					
Sales of goods	143.5	72.7			216.2
Sales of services		0.0	2.7		2.7
Royalties	0.2		0.3		0.6
Total external sales	**143.8**	**72.7**	**3.0**		**219.5**
Internal sales	0.0	38.4		-38.4	0.0
Net sales	**143.8**	**111.2**	**3.0**	**-38.4**	**219.5**
Depreciation	-0.6	-7.4	-2.1		-10.1
Impairment			-1.1		-1.1
Total depreciation and impairment	**-0.6**	**-7.4**	**-3.1**	**0.0**	**-11.2**
Segment EBIT	**17.9**	**6.7**	**-5.6**	**0.0**	**19.1**
Reconciliation					
Segment EBIT					19.1
Financial income and expenses					3.1
Taxes					-4.6
Discontinued operations					-0.3
Result for the period					**17.2**

The Healthy Food Segment's EBIT for the financial year includes a total of EUR 0.5 million in restructuring costs. The Other Operations Segment's EBIT includes EUR 1.7 million in costs related to business expansion, EUR 0.4 million in costs related to business restructuring and an impairment loss of EUR 1.1 million related to the impairment of the Honey Monster brand.

INCOME STATEMENT INFORMATION BY SEGMENT, 2022

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

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

BALANCE SHEET INFORMATION BY SEGMENT, 2023

31 December 2023 (EUR million)	Healthy Food	Healthy Ingredients	Other Operations	Eliminations	Group total
Segment assets	96.5	124.0	17.8	-0.5	237.9
Including:					
Increase in non-current assets	0.6	7.0	1.2		9.0
Reconciliation of assets to Group assets					
Segment assets total					237.9
Deferred tax assets					3.3
Loans receivable and other receivables related to financing					0.2
Prepaid income taxes					0.3
Derivatives					1.0
Financial assets at fair value through profit or loss					50.1
Liquid funds					31.1
Assets total					323.8
Segment liabilities	13.8	9.1	4.4	-0.5	26.8
Reconciliation of liabilities to Group liabilities					
Segment liabilities					26.8
Deferred tax liabilities					11.9
Derivatives					0.2
Financial liabilities at fair value through profit or loss					24.7
Tax liabilities					0.1
Dividend liability					
Liability related to financing					
Liabilities total					63.6
Net assets					260.1

BALANCE SHEET INFORMATION BY SEGMENT, 2022

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

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

Non-current assets include long-term tangible assets and intangible rights, goodwill and other intangible assets. About 45 (44) per cent of the long-term assets are in the Healthy Food Segment's Western
European operating segment in the UK.

(EUR million)	2023	%	2022	%
Finland	95.0	55.4	97.0	55.6
UK	76.5	44.6	77.3	44.3
Rest of Europe	0.0	0.0	0.2	0.1
Total	171.5	100.0	174.6	100.0

2.2 Revenue

Accounting policies

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

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

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

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

2.2.1 Net sales

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

SALES REVENUE

(EUR million)	2023	%	2022	%
Sales of goods	216.2	98.5	218.6	99.0
Sales of services	2.7	1.2	1.6	0.7
Royalties	0.6	0.3	0.6	0.3
Total net sales	219.5	100.0	220.8	100.0

SALES REVENUE BY SEGMENT

(EUR million)	2023	%	2022	%
Healthy Food	143.8	65.5	143.0	64.7
Healthy Ingredients	111.2	50.6	115.7	52.4
Other	3.0	1.4	2.0	0.9
Sales between segments	-38.4	-17.5	-39.9	-18.1
Total net sales	219.5	100.0	220.8	100.0

The Group's customer base consists of a relatively large number of customers in different market areas. In 2023 and 2022, the Group had no major customers, as defined in IFRS 8, whose revenue to the Group would have exceeded 10% of the entire Group's net sales.

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

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

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

NET SALES BY COUNTRY

International net sales accounted for EUR 106.1 million (EUR 114.8 million), or 48.3 (52.0) per cent of total net sales.

(EUR million)	2023	%	2022	%
Finland	113.4	51.7	106.0	48.0
UK	48.3	22.0	53.5	24.2
Other	57.7	26.3	61.3	27.8
Total	219.5	100.0	220.8	100.0

Net sales in different currencies

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

NET SALES IN LOCAL FUNCTIONAL CURRENCIES

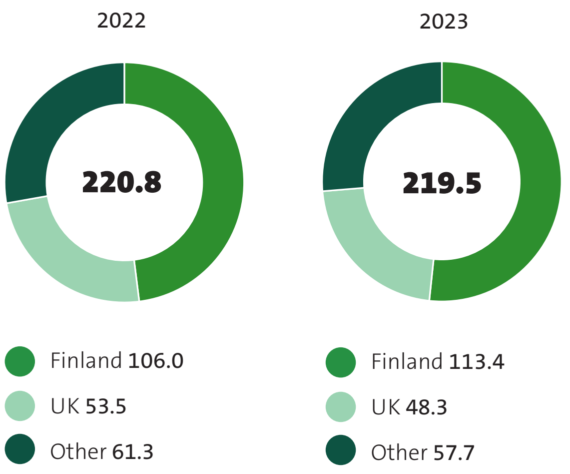
(EUR million)	2023	2022
EUR	162.4	157.4
GBP	48.3	53.6
PLN	5.1	5.3
UAH	2.9	3.7
USD	0.8	0.8
	219.5	220.8

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

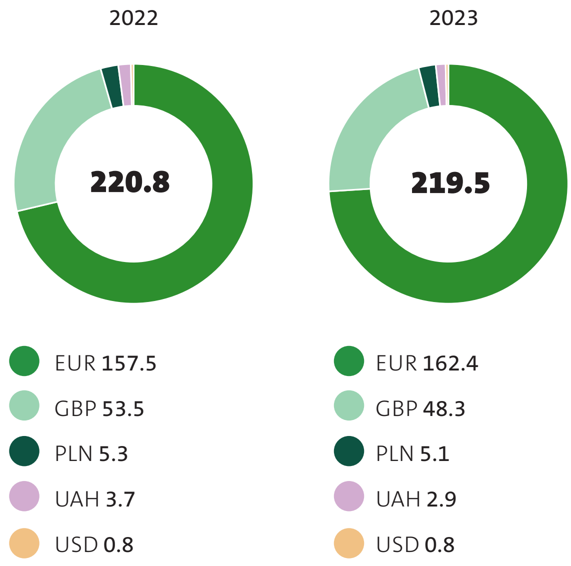
(EUR million)	2023	2022
Net sales	-1.3	1.2

The conversion impact on the Group's net sales was EUR -1.3 (1.2) million. The British pound accounted for EUR -1.0 (1.0) million and other currencies for EUR -0.3 (0.2) million. The conversion impact refers to the impact arising when the subsidiaries' net sales are converted into euros as part of the consolidated financial statements.

NET SALES BY COUNTRY (EUR MILLION)
2022–2023



NET SALES IN DIFFERENT CURRENCIES (EUR MILLION)
2022–2023



3 Group structure

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

3.1 Business acquisitions

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

Businesses acquired
No businesses were acquired in 2023 or 2022.

3.2 Divested businesses and businesses classified as held for sale in 2023

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

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

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

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

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

Businesses divested in 2023
The Raisio Group sold the Healthy Ingredients Segment's fish feed business on 27 February 2023.

Key estimates and discretionary solutions
In connection with the classification of business operations and the valuation of a non-current asset, management is required to exercise discretion as to the presentation to be used and the determination of the fair value of the non-current asset in the financial statements. Management has applied the requirements of standard ***IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations*** to the classification, presentation, recognition and valuation of the fish feed business of the Healthy Ingredients Segment. The fish feed business represented a key business area in the Healthy Ingredients Segment, and its cash flows were clearly separable. In March 2022, the company's management terminated the company's export activities to Russia, which meant that the fish feed exports of the Group's Raisioaqua Ltd to the country also ended. On 31 May 2022, management began preparations to sell Raisioaqua Ltd. On 28 February 2023, Raisio 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. The sale of the fish feed business generated a capital gain of EUR 0.6 million for the first quarter of 2023. EBIT for the comparison period includes an impairment loss of EUR 4.1 million related to the fixed assets of the fish feed business. The book value of fixed assets was higher than their fair value.

INCOME STATEMENT FOR THE DISCONTINUED FISH FEED BUSINESS

	2023	2022
Net sales	1.3	24.9
Cost of sales	-1.6	-27.9
Gross profit	-0.4	-3.1
Operating income and expenses	-0.7	-2.0
EBIT	-1.0	-5.1
Financial income and expenses	0.0	
Result before taxes	-1.0	-5.1
Income taxes	0.1	1.1
Result for the period after taxes	-0.9	-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	

IMPACT OF THE DISCONTINUED FISH FEED BUSINESS ON FINANCIAL POSITION (EUR MILLION)

	31 December 2023	31 December 2022
Intangible assets	0.1	0.1
Tangible fixed assets	2.0	2.2
Deferred tax assets	0.1	0.1
Inventories	5.1	4.9
Accounts receivable and other receivables	1.2	2.3
Cash and bank receivables	0.2	
Total assets included in the group classified as held for sale / sold	8.6	9.6
Non-current right-of-use assets	0.0	0.0
Current right-of-use assets	0.0	0.0
Accounts payable and other liabilities	2.0	0.8
Other interest-bearing liabilities and cash pool	3.2	2.5
Total debts included in the group classified as held for sale / sold	5.2	3.4
Total net assets included in the group classified as held for sale / sold	3.4	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	

EARNINGS PER SHARE FROM THE DISCONTINUED FISH FEED BUSINESS

	2023	2022
Earnings per share, €	0.00	-0.03

IMPACT OF THE DISCONTINUED FISH FEED BUSINESS ON THE GROUP'S CASH FLOW STATEMENT

(EUR million)	2023	2022
Subsidiary divestment adjusted for cash at the time of transfer	7.4	
Cash flow from business operations	-0.3	-1.0
Cash flow from investments	0.0	-0.3
Cash flow in total	7.1	-1.3

Businesses divested in 2022
The Raisio Group sold the Russian consumer business of the Healthy Food Segment during the comparison period on 12 May 2022.

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

The company's management suspended food exports to Russia in early March 2022, following Russia's invasion of Ukraine. The company's management decided to terminate the company's consumer business in Russia. Raisio signed an agreement to sell its Russian consumer business on 29 April 2022. According to the agreement, the subsidiary OOO Raisio Nutrition, which has handled the Group's consumer business in Russia, was sold to the Russian company Copacker Agro Ltd. Russian authorities registered the deal on 12 May 2022, when the activities of Raisio's subsidiary, OOO Raisio Nutrition, transferred officially to Copacker Agro Ltd. At the same time, the rights to the Nordic brand name used by Raisio's Russian subsidiary within, among others, the Russian and Belarusian markets were sold to the Estonian company Nordgate Trading Oü.

INCOME STATEMENT CONCERNING THE DISCONTINUED RUSSIAN CONSUMER BUSINESS

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

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

(EUR million)	31 December 2022
Non-current assets	0.1
Inventories	0.4
Current receivables	0.8
Liquid funds	2.8
Assets total	**4.0**
Current liabilities	0.4
Liabilities total	**0.4**
Divested net assets	**3.6**
Accumulated translation differences	-1.4
Capital gain/loss on the divested business including accumulated translation differences	-3.5
Transaction expenses allocated to the divestment	0.0
Profit impact on EBIT	**-3.5**
Debt-free selling price of shares and the Nordic brand	4.3
Net interest-bearing debt of divested subsidiary at the time of transfer	2.8
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

EARNINGS PER SHARE FROM THE DISCONTINUED RUSSIAN CONSUMER BUSINESS

	2022
Earnings per share, €	-0.02

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

(EUR million)	2022
Subsidiary divestments adjusted for cash at the time of transfer	-2.8
Cash flow from investments, Nordic brand name	1.5
Cash flow from business operations	1.4
Cash flow impact in total	**0.1**

3.3 Subsidiaries and the non-controlling interest

Accounting policies

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

The Group structure on the balance sheet date

NUMBER OF WHOLLY OWNED SUBSIDIARIES

	2023	2022
Healthy Food	8	7
Healthy Ingredients	1	2
Other Operations	11	11

The subsidiaries are wholly owned. In the financial year 1 January–31 December 2023, the Raisio Group divested the Healthy Ingredients Segment's fish feed subsidiary Raisioaqua Ltd on 27 February 2023. Raisio Nutrition Ltd, a subsidiary of Raisio plc operating in the Healthy Food Segment, established a wholly owned subsidiary, Raisio Benelux B.V., in the Netherlands on 26 June 2023. The new company is responsible for sales in the Netherlands and Belgium. During the comparison period, the Raisio Group sold the Healthy Food Segment's Russian subsidiary OOO Raisio Nutrition on 12 May 2022.

RAISIO GROUP SUBSIDIARY COMPANIES

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

4 Invested capital

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

4.1 Goodwill

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

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

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

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

GOODWILL RECONCILIATION

(EUR million)	2023	2022
Acquisition price 1 January	50.2	52.8
Translation difference	1.0	-2.6
Acquisition cost 31 December	**51.2**	**50.2**
Accumulated depreciation and write-downs 1 January	3.2	3.2
Accumulated depreciation 31 December	3.2	3.2
Book value 31 December	**47.9**	**47.0**

4.2 Intangible assets

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

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

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

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

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

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

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

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

INTANGIBLE ASSETS 2023

(EUR million)	Intangible rights	Other intangible assets	Advances paid and incomplete acquisitions	Intangible assets total
Acquisition cost 1 January	**56.8**	**20.4**	**0.3**	**77.6**
Translation differences	1.0	0.0		1.0
Increases	0.1	0.5	0.2	0.9
Divestment and other decreases	0.0	-0.7		-0.7
Reclassification between items	0.1	0.1	-0.3	-0.1
Acquisition cost 31 December	**58.0**	**20.4**	**0.2**	**78.7**
Accumulated depreciation and write-downs 1 January	-25.8	-18.3	0.0	-44.1
Translation differences	-0.4	0.0		-0.4
Accumulated depreciation of decreases and transfers	0.0	0.8		0.8
Depreciation for the financial period	-0.4	-1.0		-1.4
Impairments and their reversals	-1.1			-1.1
Accumulated depreciation 31 December	**-27.7**	**-18.5**	**0.0**	**-46.2**
Book value 1 January 2022	31.0	2.1	0.3	33.5
Book value 31 December 2023	**30.3**	**1.9**	**0.2**	**32.4**

Intangible rights include trademarks related to the Healthy Food Segment's operations whose useful lives are considered to be indefinite. Their carrying value was EUR 28.1 million on 31 December 2021. The EUR 1.1 million impairment of intangible rights relates to the impairment of the Honey Monster brand in the Other Operations Segment.

CARRYING VALUE OF TRADEMARKS WITH INDEFINITE USEFUL LIVES

(EUR million)	31 December 2023	31 December 2022
Honey Monster		1.0
Benecol UK	28.1	27.5
Total	**28.1**	**28.6**

INTANGIBLE ASSETS 2022

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

The intangible rights include trademarks related to the Healthy Food Segment's operations whose useful lives are considered to be indefinite. Their carrying value was EUR 28.6 million on 31 December 2021.

4.3 Research and development costs

Accounting policies

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

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

Research and development costs

In the 2023 and 2022 financial statements, no research and product development costs were capitalised as intangible assets.

4.4 Impairment testing of goodwill and assets with indefinite useful lives

Goodwill is allocated to the cash-generating unit. In line with the Raisio Group's management system and structure, a cash-generating unit is typically a country-specific unit where the acquired business operates. Goodwill has been allocated to the Healthy Food Segment's Western European Benecol business and the Healthy Ingredients Segment's plant protein business. The value of goodwill on the closing date of 31 December 2022 was EUR 47.9 million (EUR 47.0 million in 2022).

The Benecol UK trademark recognised in connection with the business combinations of the acquisitions included in the Healthy Food Segment has been estimated to have an indefinite useful life. The Honey Monster trademark in the Other Operations Segment has been estimated to have an indefinite useful life and is tested as a separate asset. The reputation and long history of the trademarks support management's view that the trademarks will generate cash flows for an indefinite time. On the closing date of 31 December 2023, the value of the trademarks estimated to have indefinite useful lives totalled EUR 28.1 million (EUR 28.6 million in 2022).

Key estimates and discretionary solutions

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

The annual impairment testing of goodwill and trademarks with indefinite useful lives related to the Healthy Food Segment's Western European Benecol business and the Healthy Ingredients Segment's plant protein business indicated that the recoverable amounts of the assets in question were higher than their carrying amounts and there was no need for the impairment of assets with indefinite useful lives during the financial year 1 January–31 December 2023 or the comparison period 1 January–31 December 2022. The test calculation of the balance sheet value of the Other Operations Segment's Honey Monster trademark, which has an indefinite useful life and is tested separately, gave an indication that the trademark is impaired. This led to the recognition of an impairment loss of EUR 1.1 million in the 2023 Financial Statements. The Honey Monster trademark is not part of the company's strategy centred on healthy food and does not involve significant revenue expectations. In the comparison period 1 January–31 December 2022, there were no impairment losses related to the Honey Monster trademark.

Impairment testing of assets with indefinite useful lives

The cash flow forecasts used for impairment testing are based on value-in-use calculations based on financial plans approved by management. The cash flow forecasts used are based on the next four years' financial plans for the Benecol business and the next six years' financial plans for the Verso Food plant protein business (four years in the comparison period). Cash flows after the forecast period approved by management are extrapolated by using the estimated growth factors presented below, which do not exceed the average long-term growth rates of the unit's business.

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

Goodwill	2023		2022	
Healthy Food Segment				
UK operations, Benecol				
Growth percentage *)	2.0	%	2.0	%
Discount rate, before taxes	8.4	%	8.2	%
Healthy Ingredients Segment				
Finnish operations, Verso plant protein				
Growth percentage *)	4.0	%	3.0	%
Discount rate, before taxes	7.2	%	9.6	%

*) In the cash flows after the forecast period

Management has determined the EBIT used in the forecasts based on the previously realised results and its expectations of market developments. The most significant factors affecting cash flow forecasts include business growth assumptions and assumptions on the development of sales prices and costs. The discount rate has been determined before taxes and reflects the risks associated with the business segment in question. The parameters of the risk-free rate, beta coefficient and risk coefficient used to determine the discount rate are based on market data. Management has taken into account country, sectoral, currency and price risks when determining the discount rate.

Sensitivity analysis of impairment testing

A sensitivity analysis was carried out in connection with the impairment testing as follows:

Goodwill / Healthy Food Segment

UK operations, Western Europe

The entity's recoverable amount clearly exceeds the assets' carrying value, and the sensitivity analysis indicated that the probability of a significant goodwill impairment loss was very low. The recoverable amount will fall below the carrying value of assets if the discount rate rises to 13.5 per cent (14.7 in 2022) (before taxes) or the EBIT level falls permanently by 43.5 per cent (around 53.0 in 2022) of management estimates.

Goodwill / Healthy Ingredients Segment

Verso Food plant protein business, Finland

The entity's recoverable amount exceeds the assets' carrying value, and the sensitivity analysis indicated that the entity was very sensitive to goodwill impairment losses. The recoverable amount will fall below the carrying value of assets if the discount rate rises to 8.7 per cent (11.8 in 2022) (before taxes) and the terminal growth rate falls by 1.5 per cent. In the plant protein products market, the main challenge was the decline in the net sales of the whole plant protein category, partly driven by rising interest rates and high inflation. Management estimates that in the longer term, the growth prospects for plant protein products are positive, both in Finland and internationally.

4.5 Tangible fixed assets

Accounting policies

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

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

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

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

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

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

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

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

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

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

Government grants

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

Leases

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

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

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

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

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

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

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

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

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

A right-of-use asset is measured at acquisition cost less depreciation and impairment losses and adjusted by a possible item resulting from the remeasurement of the lease liability. Right-of-use assets

are depreciated within the asset's useful life or during the lease term, whichever is shorter. If the use of a purchase option included in the lease is reasonably certain, the right-of-use asset is depreciated during the asset's useful life. The residual
value and useful life of a right-of-use asset are reviewed at least in connection with the financial statements, and any impairment is recognised if there are changes in terms of the expectations of economic benefits.

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

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

Key estimates and discretionary solutions

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

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

4.5.1 Tangible fixed assets

OWNED TANGIBLE FIXED ASSETS 2023

(EUR million)	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advances paid and incomplete acquisitions	Tangible assets total
Acquisition cost 1 January	3.4	122.5	180.5	0.3	1.4	308.2
Translation differences		0.0	0.0	0.0		0.0
Increases		0.6	4.2		2.4	7.2
Divestment and other decreases		-6.7	-24.8			-31.5
Reclassification between items		0.1	1.3		-1.3	0.1
Acquisition cost 31 December	**3.4**	**116.5**	**161.2**	**0.3**	**2.5**	**284.0**
Accumulated depreciation and write-downs 1 January		-94.2	-148.7	-0.1	0.0	-242.9
Translation differences		0.0	0.0	0.0		0.0
Accumulated depreciation of decreases and transfers		6.7	24.7			31.4
Depreciation for the financial period		-1.7	-3.9			-5.6
Accumulated depreciation 31 December	**0.0**	**-89.3**	**-127.8**	**-0.1**	**0.0**	**-217.2**
Book value 1 January 2022	3.4	28.3	31.9	0.3	1.4	65.2
Book value 31 December 2023	**3.4**	**27.3**	**33.4**	**0.3**	**2.5**	**66.8**

The most significant investment was the replacement of the pasta line in the Raisio industrial area. This was a replacement investment completed in August 2023. The investment amounted to approximately EUR 4.1 million. The investment acquisition expenditure does not include borrowing costs.

LEASED RIGHT-OF-USE ASSETS 2023

(EUR million)	Buildings leased for own use	Machinery leased for own use	Right-of-use assets total
Acquisition cost 1 January	8.9	23.2	32.1
Translation differences	0.0	0.0	0.0
Increases	0.1	0.8	0.9
Divestment and other decreases	-0.3	-0.2	-0.5
Acquisition cost 31 December	**8.8**	**23.8**	**32.5**
Accumulated depreciation and write-downs 1 January	-2.1	-3.5	-5.5
Translation differences	0.0	0.0	0.0
Accumulated depreciation of decreases and transfers	0.2	0.1	0.3
Depreciation for the financial period	-0.8	-2.2	-3.0
Accumulated depreciation 31 December	**-2.7**	**-5.6**	**-8.3**
Book value 1 January 2022	6.8	19.7	26.6
Book value 31 December 2023	**6.1**	**18.2**	**24.3**

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

ITEMS FROM LEASES RECOGNISED IN THE INCOME STATEMENT

(EUR million)	2023	2022
Rental income	0.8	0.7
Depreciation on right-of-use assets	-3.0	-3.0
Costs of short-term and low-value leases	0.0	0.0
Interest expenses related to leases	-0.4	-0.4
Total	**-2.6**	**-2.7**
Outgoing cash flow resulting from leases	**3.0**	**2.9**

OWNED TANGIBLE FIXED ASSETS 2022

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

The investment acquisition expenditure does not include borrowing costs.

LEASED RIGHT-OF-USE ASSETS 2022

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

4.5.2 Depreciation and impairment

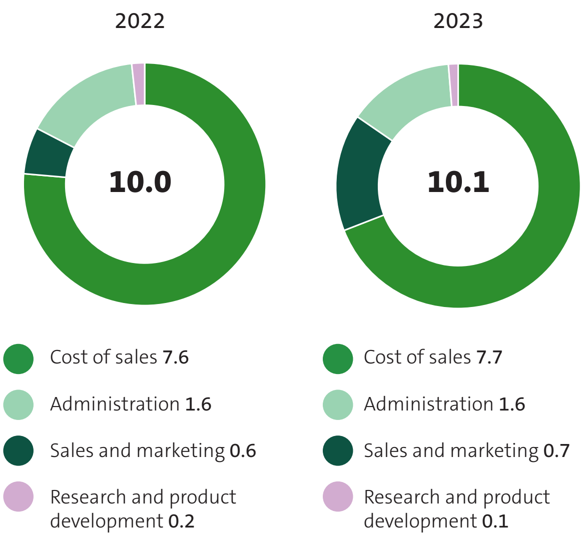
DEPRECIATION AND IMPAIRMENT

(EUR million)	2023	2022
Depreciation by asset group		
Depreciation on intangible assets		
Intangible rights	0.4	0.5
Other intangible assets	1.0	1.0
Depreciation on intangible assets, continuing operations	1.4	1.4
Depreciation on intangible assets, discontinued operations		0.0
	1.4	1.4
Depreciation on tangible fixed assets		
Buildings	2.5	2.6
Machinery and equipment	6.2	5.9
Depreciation on tangible fixed assets, continuing operations	8.7	8.5
Depreciation on tangible fixed assets, discontinued operations		0.3
	8.7	8.9
Total depreciation of intangible and tangible assets, continuing operations	10.1	10.0
Total depreciation of intangible and tangible assets, discontinued operations		0.3
Impairment by asset group		
Intangible rights	1.1	
Impairment, continuing operations	1.1	0.0
Impairment, discontinued operations		4.1
	1.1	4.1
Total depreciation and impairment, continuing operations	11.2	10.0
Total depreciation and impairment, discontinued operations	0.0	4.5
	11.2	14.4
Depreciation by operation		
Cost of sales	7.7	7.6
Sales and marketing	0.7	0.6
Administration	1.6	1.6
Research and product development	0.1	0.2
Depreciation by operation, continuing operations	10.1	10.0
Depreciation by operation, discontinued operations	0.0	0.3
	10.1	10.3
Impairment		
Sales and marketing	1.1	
Impairment, continuing operations	1.1	0.0
Impairment, discontinued operations		4.1
Impairment in total	1.1	4.1

The total depreciation and impairment of EUR 11.2 million (EUR 10.0 million in 2022) for continuing operations includes depreciation and impairment of right-of-use assets as follows:

(EUR million)	2023	2022
Depreciation for right-of-use assets by asset group		
Buildings	0.8	0.8
Machinery and equipment	2.3	2.2
Total	3.0	3.0
Depreciation on tangible fixed assets, discontinued operations		
Depreciation for right-of-use assets in total	3.0	3.0
Depreciation and impairment for right-of-use assets by operation		
Cost of sales	2.4	2.4
Sales and marketing	0.4	0.3
Administration	0.3	0.3
Research and product development	0.0	0.0
Total depreciation for right-of-use assets by operation	3.0	3.0

DEPRECIATION (EUR MILLION), CONTINUING OPERATIONS, 2022–2023



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

Accounting policies

The balance sheet values of long-term intangible and tangible assets are assessed for possible impairment at the balance sheet date and whenever there is an indication that an asset may be impaired. The impairment tests assess the recoverable amount of the

asset in question. The recoverable amount is the asset's fair value less costs to sell or its value in use, whichever is higher. An impairment loss is recognised in the income statement if the carrying amount of the asset exceeds the recoverable amount.

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

Impairment by operation

The financial statements for 2023 and 2022 do not include significant impairment losses on long-term intangible and tangible assets.

4.7 Equity investments

Accounting policies

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

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

EQUITY INVESTMENTS

(EUR million)	2023	2022
At the beginning of the period	3.0	2.8
Decreases	0.0	-0.1
Profits and losses in the comprehensive income	0.6	0.3
At the end of the period	3.6	3.0

4.8 Inventories

Accounting policies

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

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

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

Key estimates and discretionary solutions

The valuation of inventories requires management's assessment in determining obsolescence write-offs or resale prices. In the financial year 1 January–31 December 2023, Raisio recorded an impairment of EUR 0.4 million related to grain trade inventories. There was no significant impairment of inventories in the comparison period 1 January–31 December 2022.

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

INVENTORIES

(EUR million)	2023	2022
Materials and supplies	21.7	28.0
Unfinished products	3.8	4.1
Finished products/goods	8.7	10.3
Other inventories	0.1	0.4
Advance payments		0.0
Inventories total	34.3	42.8

5 Financing and risk management

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

5.1 Financial income and expenses

(EUR million)	2023	2022
Financial income		
Dividend income from equity investments	0.3	0.3
Interest income from derivatives	0.8	0.3
Other interest income	1.0	0.2
Change in value of financial assets at fair value through profit or loss	2.3	
Gain on sale of financial assets at fair value through profit or loss		0.1
Exchange rate differences, net	0.2	
Other financial income	0.1	0.1
Total	4.7	1.0
Financial expenses		
Interest expenses from derivatives	-0.7	-0.5
Interest expenses from lease liabilities	-0.4	-0.4
Other interest expenses	-0.5	0.0
Change in value of financial assets at fair value through profit or loss		-2.3
Loss on sale of financial assets at fair value through profit or loss		-0.2
Exchange rate differences, net		-0.4
Other financial expenses	-0.1	0.0
Total	-1.7	-3.8

5.2 Financial assets and liabilities

Accounting policies

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

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

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

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

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

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

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

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

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

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

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

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

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

CLASSIFICATION AND HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

(EUR million)	Fair value through profit or loss LEVEL 2 2023	Fair value through other comprehensive income LEVEL 3 2023	Recorded at amortised cost 2023	Total 2023	Fair value through profit or loss LEVEL 2 2022	Fair value through other comprehensive income LEVEL 3 2022	Recorded at amortised cost 2022	Total 2022
Financial assets								
Equity investments		3.6		3.6		3.0		3.0
Accounts receivable and other receivables			28.1	28.1			30.0	30.0
Derivatives	1.0			1.0	1.4			1.4
Investments at fair value through profit or loss	50.1			50.1	38.7			38.7
Liquid funds			31.1	31.1			31.9	31.9
Total	**51.1**	**3.6**	**59.2**	**113.8**	**40.1**	**3.0**	**61.9**	**105.1**
Financial liabilities								
Accounts payable and other liabilities			19.9	19.9			21.8	21.8
Derivatives	0.2			0.2	0.1			0.1
Other loans			0.1	0.1			0.2	0.2
Lease liabilities			24.6	24.6			26.7	26.7
Total	**0.2**	**0.0**	**44.7**	**44.8**	**0.1**	**0.0**	**48.7**	**48.8**

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

THE RECONCILIATION FOR LEVEL 3 FINANCIAL ASSETS AND LIABILITIES

(EUR million)	
Opening balance for the fiscal year 2022	**2.8**
Decreases	-0.1
Profits and losses, statement of comprehensive income	0.3
Final balance for the fiscal year 2022	**3.0**
Opening balance for the fiscal year 2023	**3.0**
Decreases	0.0
Profits and losses, statement of comprehensive income	0.6
Final balance for the fiscal year 2023	**3.6**

5.3 Valuation of financial assets

Accounting policies

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

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

Key estimates and discretionary solutions

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

Key estimates and discretionary solutions

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

Investments in shares and financial securities

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

Derivatives

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

Lease liabilities

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

Accounts payable and other liabilities, accounts receivable and other receivables and other loans

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

5.3.1 Carrying values and fair values of financial assets and liabilities

(EUR million)	Note	Carrying value 2023	Fair value 2023	Carrying value 2022	Fair value 2022
Financial assets					
Equity investments		3.6	3.6	3.0	3.0
Accounts receivable and other receivables	5.3.2	28.1	28.1	30.0	30.0
Derivative contracts	5.3.4	1.0	1.0	1.4	1.4
Investments at fair value through profit or loss	5.3.4	50.1	50.1	38.7	38.7
Liquid funds	5.3.5	31.1	31.1	31.9	31.9
Financial liabilities					
Accounts payable and other liabilities	5.3.6	19.9	19.9	21.8	21.8
Derivative contracts	5.3.7	0.2	0.2	0.1	0.1
Other loans	5.3.7	0.1	0.1	0.2	0.2
Lease liabilities	5.3.8	24.6	25.3	26.7	27.5

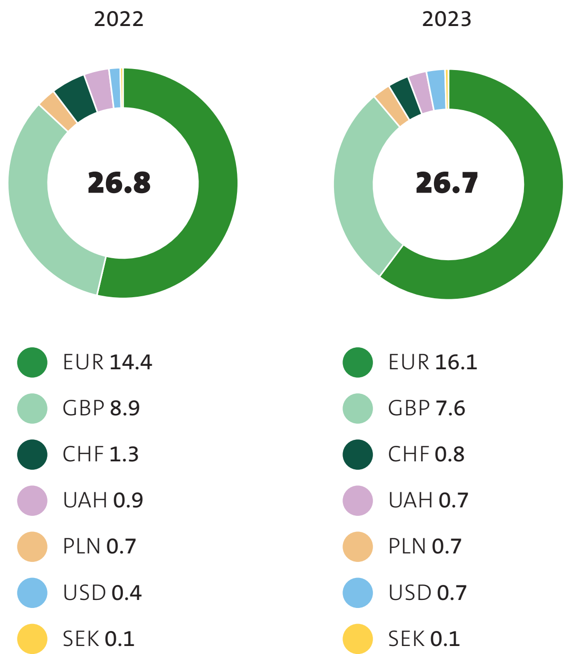
The carrying amounts in the Table above correspond to the consolidated balance sheet values and are further specified in the following Tables. Equity investments include unquoted share investments and similar rights of ownership.

5.3.2 Accounts receivable and other receivables

(EUR million)	2023	2022
Accounts receivable and other receivables included in financial assets		
Accounts receivable	26.7	26.8
Accrued income	0.5	1.5
Other receivables	0.8	1.7
Total	28.1	30.0
Receivables not included in financial assets		
Accrued income	0.7	0.7
Other receivables	0.1	0.2
Total	0.8	1.0
Total accounts receivable and other receivables	28.9	31.0

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

ACCOUNTS RECEIVABLE (EUR MILLION) 2022–2023



5.3.3 Accounts receivable based on age

(EUR million)	2023	2022
Unexpired	22.5	22.6
Past due 1–60 days	4.1	3.7
Past due 61–180 days	0.1	0.5
Past due over 180 days	0.0	0.0
Accounts receivable in total	26.7	26.8
Impairment of sales receivables:		
Value on 1 January	0.1	0.1
Increases	0.1	0.1
Decreases	0.0	0.0
Impairment in total on 31 December	0.2	0.1
Accounts receivable and impairment in total	26.9	26.9

During the financial year 2023, the Group has recognised EUR 0.2 (0.1) million in credit loss provisions. The Group has recognised EUR 0.0 (0.0) million in credit losses during the financial year 2023.

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

(EUR million)	2023	2022
Derivatives	1.0	1.4
Investments at fair value through profit or loss	50.1	38.7
Total	51.1	40.1

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

5.3.5 Liquid funds in the cash flow statement

(EUR million)	2023	2022
Investments at fair value through profit or loss	50.1	38.7
Liquid funds	31.1	31.9
Liquid funds, discontinued operations		-2.5
Liquid funds in the balance sheet and cash flow statement	81.2	68.1

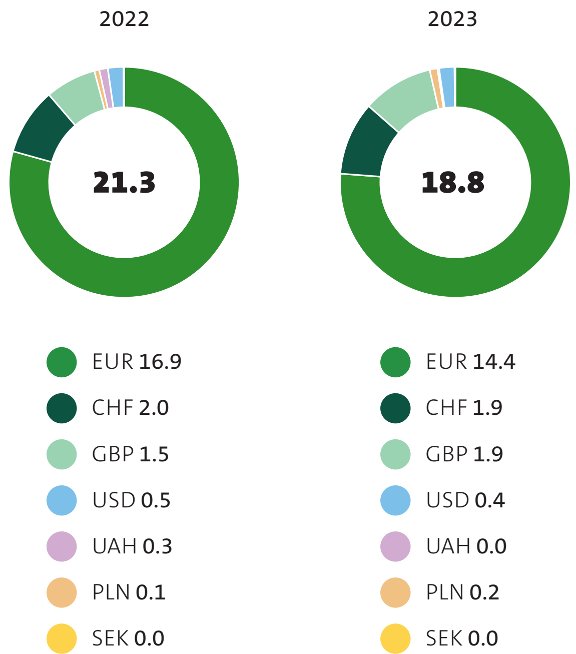
Investments at fair value through profit or loss are included in liquid funds in the cash flow statement as they include low-risk and highly liquid interest rate instruments.

5.3.6 Accounts payable and other liabilities

(EUR million)	2023	2022
Accounts payable and other liabilities included in financial liabilities		
Accounts payable	18.8	21.3
Advance payments	0.1	0.0
Accrued liabilities		0.0
Other liabilities	1.0	0.4
Total	19.9	21.8
Liabilities not included in financial liabilities		
Accrued liabilities	6.1	6.8
Other liabilities	0.4	2.5
Total	6.5	9.3
Total accounts payable and other liabilities	26.5	31.1

Accrued liabilities include amortisations of operating expenses, financial items and tax liabilities based on taxable income for the period. The most significant of these are the amortisations of wages, salaries, fees and other personnel expenses, which amounted to EUR 3.9 (3.9) million in 2023.

ACCOUNTS PAYABLE (EUR MILLION)
2021–2022



5.3.7 Financial liabilities

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

5.3.8 Lease liabilities

(EUR million)	2023	2022
Non-current lease liabilities 1 January	26.7	28.8
Translation differences	0.0	0.0
Increase in lease liabilities	0.9	0.9
Payments related to decrease of lease liabilities	-3.1	-2.9
Assets held for sale		0.0
Total	**24.6**	**26.7**
Current share of non-current lease liabilities 31 December	6.2	3.2
Non-current lease liabilities 31 December	**18.4**	**23.5**
Non-current lease liabilities 1 January	23.5	25.6
Non-current lease liabilities 31 December	18.4	23.5
Current lease liabilities 1 January	3.2	3.2
Current lease liabilities 31 December	**6.2**	**3.2**

The Raisio Group has recognised a lease liability of approximately EUR 21.5 million related to the process equipment of the new snack and oat drink production facility built in the Raisio industrial area. The 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.

5.3.9 Contingent liabilities and other commitments and contingent assets

(EUR million)	31 December 2023	31 December 2022
Contingent off-balance sheet liabilities		
Other liabilities	2.4	6.9
Guarantee liabilities on the Group companies' commitments	4.4	4.1
Commitment to investment payments	4.2	1.7

5.4 Financial risk management

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

Key estimates and discretionary solutions

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

5.4.1 Currency and commodity price risk

Raisio is an international Group that trades in several currencies. The most significant commodity price risk for Raisio, on the other hand, is caused by changes in grain prices. The Group is exposed to currency and commodity price risks arising from both cash flows (transaction risk) and the conversion of the shares, assets, liabilities and income of foreign-currency subsidiaries into euros (translation risk).

Transaction risk refers to the exchange rate or commodity price risk that arises between the date of agreement and the payment transaction. The Raisio Group hedges against foreign currency risks on its most significant foreign currency receivables and liabilities, off-balance sheet purchase and sales agreements and, to some extent, predicted cash flows.

MOST SIGNIFICANT CURRENCY TRANSACTION RISKS

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

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

TRANSACTION RISK OF NET SALES 2023

(EUR million)	USD	CHF	SEK
+10% change in exchange rate	-0.4	-1.0	-0.1
-10% change in exchange rate	0.4	1.0	0.1

TRANSACTION RISK OF NET SALES 2022

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

Translation risk refers to the risk that arises when foreign currency items are converted to the domestic currency for accounting purposes. In accordance with the Raisio Group's treasury policy, translation risk is not, as a rule, hedged with currency derivatives. During the financial year 2023, 26.0 (28.7) per cent of the Group's net sales were generated in a functional currency other than the euro.

TRANSLATION RISK OF NET SALES 2023

(EUR million)	USD	GBP	PLN	UAH
+10% change in exchange rate	-0.1	-4.4	-0.5	-0.3
-10% change in exchange rate	0.1	5.4	0.6	0.3

TRANSLATION RISK OF NET SALES 2022

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

BALANCE SHEET AND TRANSACTION RISK OF THE CURRENCY RISK 31 DECEMBER 2023

(EUR million)	EUR	USD	GBP	CHF	PLN	SEK
Accounts receivable	0.6	0.5	0.0	0.8	0.2	0.1
Bank accounts	0.0	0.0	-0.1	-0.2	0.0	0.0
Accounts payable	-1.8	-0.6	0.0	-1.9	-0.1	-0.3
Internal loans	-0.5	0.2			1.0	
Balance sheet risk, total	**-1.7**	**0.1**	**-0.1**	**-1.3**	**1.2**	**-0.1**
Forecast sales, less than one year		3.9		10.4	3.0	1.1
Forecast purchases, less than one year	-11.2	-7.1		-22.9		-0.4
Forecast risk, total	**-11.2**	**-3.2**	**0.0**	**-12.5**	**3.0**	**0.7**
Currency hedges, total	**6.1**	**1.8**		**8.3**	**-1.0**	
Net risk, total	**-6.8**	**-1.3**	**-0.1**	**-5.5**	**3.2**	**0.5**

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

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

(EUR million)	EUR	USD	GBP	CHF	PLN	SEK
Accounts receivable	0.3	0.3	0.0	1.3	0.2	0.1
Bank accounts	-0.1	0.0	0.1	0.0	0.0	0.0
Accounts payable	-2.6	-0.6	0.0	-2.0	0.0	-0.2
Internal loans	-1.0	0.2			1.0	
Balance sheet risk, total	**-3.5**	**-0.1**	**0.0**	**-0.7**	**1.1**	**-0.1**
Forecast sales, less than one year		4.3		11.0	3.0	1.2
Forecast purchases, less than one year	-15.6	-8.5		-21.3		-0.5
Forecast risk, total	**-15.6**	**-4.2**	**0.0**	**-10.2**	**3.0**	**0.7**
Currency hedges, total	**8.8**	**2.1**		**5.6**	**-1.0**	
Net risk, total	**-10.2**	**-2.2**	**0.0**	**-5.3**	**3.2**	**0.6**

CURRENCY SENSITIVITY ANALYSIS IN ACCORDANCE WITH IFRS 7, 2023

(EUR million)	Business transaction risk (less than one year) +/-10%	Financial risk (less than one year) +/-10%	Translation risk, EBT +10%	Translation risk, EBT -10%	Translation risk, equity +10%	Translation risk, equity -10%
EUR	0.5	0.1				
USD	0.2	0.0	0.0	0.0	-0.2	0.2
GBP	0.0	0.0	-0.8	1.0	-6.8	8.3
CHF	0.7	0.0				
PLN	0.0	0.0	0.0	0.0	0.1	-0.1
SEK	0.0	0.0	0.0	0.0	-0.1	0.1
UAH			0.0	0.0	-0.1	0.1

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

CURRENCY SENSITIVITY ANALYSIS IN ACCORDANCE WITH IFRS 7, 2022

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

NOMINAL VALUES OF DERIVATIVES

(EUR million)	31 December 2023	31 December 2022
Currency derivatives, in hedge accounting	35.8	42.8
Currency derivatives, not in hedge accounting	1.0	1.0
Interest rate derivatives, in hedge accounting	13.5	14.5
Commodity derivatives, in hedge accounting	0.9	
Total	51.2	58.3

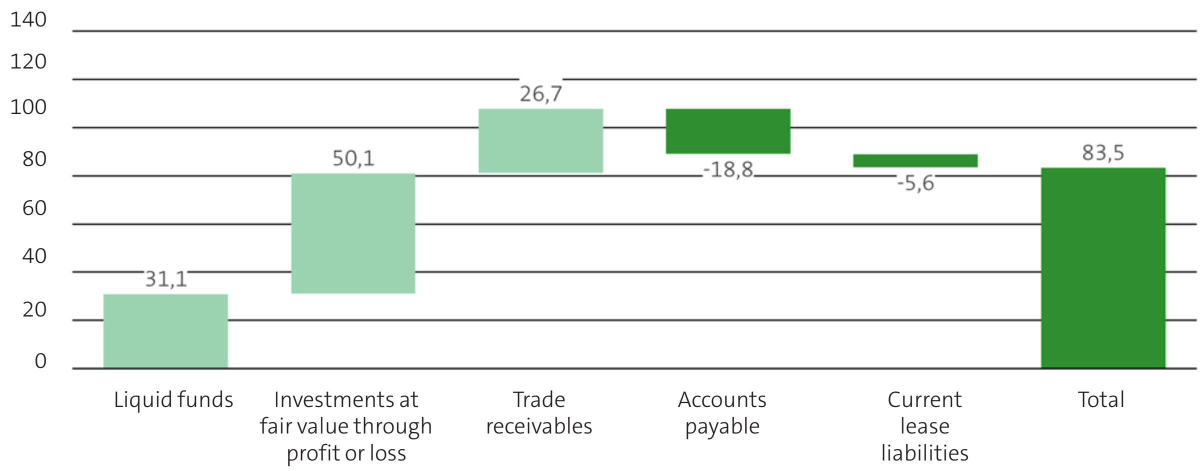
Sensitivity analysis of commodity derivatives

At the balance sheet date, Raisio had only grain derivatives that were included in hedge accounting. The purpose of the sensitivity analysis is to demonstrate the sensitivity of grain derivatives as defined in IFRS 7. The sensitivity analysis includes only the market risk arising from derivatives. The analysis does not include the price risk of the sale or purchase of the hedged grains. The sensitivity is calculated under the assumption that the quotation of commodity derivatives would change by +/-10%. The above change would have an impact of +/-EUR 0.1 million on the Group's comprehensive income.

5.4.2 Liquidity risk

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

SHORT-TERM LIQUIDITY (EUR MILLION)



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

MATURITY BREAKDOWN 2023

(EUR million)	Total	under 3 months	3–6 months	6–9 months	9–12 months	1–2 years	2–5 years	over 5 years
Financial liabilities								
Accounts payable	-18.8	-18.8						
Lease liabilities	-22.8	-0.6	-3.5	-0.3	-1.2	-2.7	-6.1	-8.4
Total	-41.7	-19.4	-3.5	-0.3	-1.2	-2.7	-6.1	-8.4
Interest rate derivatives								
The amount to be received	1.0	0.3		0.3		0.5		
The amount to be paid	-0.1	0.0		0.0		0.0		
Total	1.0	0.3		0.2		0.5		
Currency derivatives								
The amount to be received	33.0	15.6	9.8	5.5	2.0			
The amount to be paid	-33.1	-15.6	-9.8	-5.5	-2.1			
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**			
Commodity derivatives								
The amount to be received								
The amount to be paid	-0.9	-0.6	-0.2					
Total	**-0.9**	**-0.6**	**-0.2**					
Guarantees signed	4.4	4.4						

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

MATURITY BREAKDOWN 2022

(EUR million)	Total	under 3 months	3–6 months	6–9 months	9–12 months	1–2 years	2–5 years	over 5 years
Financial liabilities								
Accounts payable	-21.3	-21.3						
Lease liabilities	-22.3	-0.5	-1.2	-0.5	-1.2	-2.8	-5.8	-10.3
Total	-43.6	-21.8	-1.2	-0.5	-1.2	-2.8	-5.8	-10.3
Interest rate derivatives								
The amount to be received	0.6	0.1		0.1		0.2	0.2	
The amount to be paid	-0.1	0.0		0.0		0.0	0.0	
Total	0.5	0.1		0.1		0.2	0.2	
Currency derivatives								
The amount to be received	39.6	18.2	12.2	7.1	2.1			
The amount to be paid	-39.5	-18.1	-12.2	-7.1	-2.2			
Total	**0.1**	**0.1**	**0.0**	**0.0**	**-0.1**			
Guarantees signed	-4.1	-4.1						

5.4.3 Interest rate risk

Interest rate risk refers to the impact of interest rate fluctuations on the Raisio Group's net financial income and expenses, and on the market values of various fixed-income investments and interest rate derivatives over the next 12 months. In line with the Group's treasury policy, the interest rate risk is managed by controlling the structure, maturity and repayment structures of the loan portfolio and fixed-income investments. Tools for this can include interest rate swaps, futures and options. On the balance sheet date, the Group had a binding interest rate derivative of EUR 13.5 (14.5) million related to equipment for the new production facility. The derivative falls due in March 2025, and its purpose is to eliminate the interest rate risk of the lease liability during its validity. As a result of the exceptional interest rate environment, the Group has invested its cash reserves in liquid interest rate instruments with a low credit and interest rate risk as a means of avoiding negative interest on deposits. At the balance sheet date, the duration of the investment portfolio managed by an asset manager was 1.412 (1.009) years, with a total capital and unrealised change in value of EUR 50.1 (38.5) million. With the above duration figure incorporated, a decrease or increase of 100 basis points in the market interest rate would have an impact of +/-EUR 0.7 (0.4) million on the Group's earnings before taxes.

5.4.4 Counterparty risk

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

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

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

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

CREDIT LOSSES

(EUR million)	Receivables 30 December 2022	Credit losses from previous years with respect to receivables	Calculated minimum credit loss provision	Credit loss provision 2023	Credit loss provision 2022
All receivables, in total	26.9	0.1%	0.0	0.2	0.1
Receivables past due, in total	4.4	0.7%	0.0	0.2	0.1
Receivables more than 60 days past due	0.3	7.8%	0.0	0.2	0.1

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

6 Current taxes and deferred tax

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

6.1 Income taxes

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

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

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

INCOME TAXES

(EUR million)	2023	2022
Tax based on the taxable income for the period	-2.3	-2.4
Taxes for previous financial periods	-0.1	0.2
Deferred tax	-2.2	-0.3
Total	-4.6	-2.5

In 2023, the tax expense based on profit for the financial year was EUR 4.6 (2.5) million and the effective tax rate was 20.9% (16.5% in 2022).

Reconciliation between the tax expense in the income statement and the Group's tax calculated at the Finnish tax rate of 20% (20% in 2022):

(EUR million)	2023	2022
Taxes calculated on the basis of the domestic tax rate	-4.4	-3.0
Impact of a deviating tax rate used in foreign subsidiaries	-0.3	0.1
Valuation of deferred taxes, change in tax rate	0.0	-0.2
Returns exempt from tax	0.1	0.1
Non-deductible expenses	0.0	-0.1
Utilisation of tax refund receivable from previously unrecognised tax losses	0.1	0.3
Other tax assets not previously recognised	0.0	0.2
Deductions of previously recognised tax assets		
Additional tax deductions	0.1	0.1
Tax from previous years	-0.1	0.2
Other items	-0.1	-0.1
Total	-4.6	-2.5

The effective tax rate for the Healthy Food Segment's Western Europe business unit was increased from 19% to 25% from 1 April 2023 onwards due to a change in the income tax rate.

INCOME TAX LIABILITIES

(EUR million)	2023	2022
Income tax liability	0.1	0.1
Income tax liability	0.1	0.1

6.2 Deferred tax

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

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

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

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

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

(EUR million)	31 December 2023	31 December 2022
Opening balance 1 January	54.6	56.0
Translation difference	-0.8	0.4
Increase 1 January–31 December	0.1	0.0
Decrease 1 January–31 December	-0.5	-1.9
31 December	**53.3**	**54.6**
Deductible losses, able to use	7.3	7.2
Deductible losses, unable to use	**46.1**	**47.3**

The Group's accumulated losses total EUR 53.3 million on 31 December 2023 (31 December 2022: EUR 54.6 million). The majority of them will expire over a period longer than five years. Accumulated losses on 31 December 2022 totalled EUR 7.3 million and were entered as tax assets. Accumulated losses for which no tax asset has been recognised relate to the Raisio Group's foreign units and partly to the operations of Verso Food Oy.

Deferred net tax liability
The amounts defined by netting in the consolidated balance sheet are as follows:

(EUR million)	2023	2022
Deferred tax assets	3.3	3.7
Deferred tax liabilities	11.9	10.0
Deferred net tax liability	**8.6**	**6.3**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. Deferred taxes on right-of-use assets amount to EUR 4.9 million and deferred taxes on lease liabilities amount to EUR 4.9 million, which have been netted in the balance sheet.

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

CHANGES IN DEFERRED TAX IN THE FINANCIAL YEAR 2023

(EUR million)	1 January 2023	Recognised in the income statement	Divested business	Recorded in other comprehensive income	Translation differences	31 December 2023
Deferred tax assets:						
Provisions	0.3	0.0	-0.1			0.3
Confirmed tax losses	1.4					1.4
Derivative contracts	0.0			0.0		0.0
Depreciation not deducted in taxation	1.6	-0.3			0.0	1.4
IFRS 16, leased right-of-use assets	0.0	0.0				0.0
Other items	0.3	0.2				0.1
Total	**3.7**	**-0.5**	**-0.1**	**0.0**	**0.0**	**3.3**
Deferred tax liabilities:						
Accumulated depreciation difference	7.5	1.7			0.1	9.4
Equity investments	0.5			0.1		0.7
Derivative contracts	0.3			-0.1		0.2
Provisions	1.2					1.2
Other items	0.5	0.0			0.0	0.4
Total	**10.0**	**1.7**	**0.0**	**0.0**	**0.1**	**11.9**

Changes in deferred tax in the financial year 2022

(EUR million)	1 January 2022	Recognised in the income statement	Divested business	Recorded in other comprehen-sive income	Translation differences	31 December 2022
Deferred tax assets:						
Provisions	0.4	0.0	0.0		0.0	0.3
Confirmed tax losses	1.5	0.0				1.4
Derivative contracts	0.0			0.0		0.0
Depreciation not deducted in taxation	2.0	-0.3			-0.0	1.6
IFRS 16, leased right-of-use assets	0.0	0.0				0.0
Other items	0.0	0.3				0.3
Total	**3.9**	**0.4**	**0.0**	**0.0**	**0.0**	**3.7**
Deferred tax liabilities:						
Accumulated depreciation difference	7.2	0.6	0.0		-0.3	7.5
Equity investments	0.5			0.1		0.5
Derivative contracts	0.0			0.3		0.3
Provisions	1.4	-0.2	0.0		0.0	1.2
Other items	0.6	-0.2			0.0	0.5
Total	**9.8**	**0.0**	**0.0**	**0.3**	**-0.3**	**10.0**

6.3 Taxes related to the items of other comprehensive income

TAXES RELATED TO THE ITEMS OF OTHER COMPREHENSIVE INCOME

(EUR million)	Before taxes	Tax impact	After taxes
Year 2023			
Change in fair value of equity investments	0.6	-0.1	0.4
Change in value of cash flow hedging	-0.5	0.1	-0.4
Change in value of fair value hedging	-0.1	0.0	-0.1
Translation differences	1.4		1.4
	1.3	**-0.0**	**1.4**
Year 2022			
Change in equity investments	0.6	-0.1	0.5
Cash flow hedge	1.5	-0.3	1.2
Translation differences	-2.5		-2.5
	-0.4	**-0.4**	**-0.9**

7 Equity

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

7.1 Equity and equity funds

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

(EUR million)	1,000 shares	Share capital	Company shares
Restricted shares converted into free shares	485		
Disposal of company shares, free shares	-1,010		-1.8
31 December 2021			
Restricted shares (20 votes/share)	30,961	5.2	
Restricted shares, company shares	-213		-0.4
Free shares (1 vote/share)	134,188	22.6	
Free shares, company shares	-6,480		-17.4
Total	**158,456**	**27.8**	**-17.8**
Restricted shares converted into free shares	47		
Cancellation of company shares, restricted shares	-213		-0.4
Cancellation of company shares, free shares	-5,000		-14.1
Disposal of company shares, free shares	-257		-0.4
31 December 2022			
Restricted shares (20 votes/share)	30,701	5.3	
Restricted shares, company shares	0		0.0
Free shares (1 vote/share)	129,235	22.4	
Free shares, company shares	-1,224		-2.9
Total	**158,713**	**27.8**	**-2.9**
Restricted shares converted into free shares	5		
Cancellation of restricted shares	-588		
Cancellation of free shares	-178		
Disposal of company shares, free shares	-21		0.0
31 December 2023			
Restricted shares (20 votes/share)	30,109	5.3	
Restricted shares, company shares	0		0.0
Free shares (1 vote/share)	129,062	22.5	
Free shares, company shares	-1,202		-2.8
Total	**157,968**	**27.8**	**-2.8**

TRANSLATION DIFFERENCES

(EUR million)	2023	2022
Translation differences 1 January	-17.3	-14.8
Change in translation difference	1.4	-2.5
Translation differences 31 December	**-15.9**	**-17.3**

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

OTHER FUNDS

(EUR million)	2023	2022
Other funds:		
Equity investments	3.4	3.0
Hedge fund	-2.4	-1.9
Other funds total	**1.0**	**1.1**

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

Company shares
At the end of the financial year 1 January–31 December 2023, Raisio plc held 1,202,343 free shares.

CHANGES IN COMPANY SHARES DURING THE FINANCIAL YEAR 2023

(EUR million)	no.
1 January 2023	1,223,722
Assignment of shares to the Chairperson and members of the Board	-21,379
31 December 2023	1,202,343

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

7.2 Dividends

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

Dividends
In 2023, a dividend of EUR 0.14 per share was paid for 2022, totalling EUR 22.1 million (in 2022, EUR 0.14 per share for 2021, totalling EUR 22.1 million).

After the balance sheet date, the parent company's Board of Directors has proposed that a dividend of EUR 0.14 per share be paid, totalling EUR 22.3 million. The proposed dividends for 2023 comprise a base dividend of EUR 0.11 per share with an additional supplementary dividend of EUR 0.03 per share.

7.3 Earnings per share

EARNINGS PER SHARE, CONTINUING OPERATIONS

(EUR million)	2023	2022
Profit for the period for equity holders of the parent company, continuing operations (EUR million)	17.5	12.5
Undiluted weighted average of shares in the financial period	158,018,285	158,639,663
Dilution resulting from share-based compensation	695,670	720,838
Diluted weighted average of shares in the financial period	158,713,955	159,360,501
Undiluted earnings per share, continuing operations (EUR/share)	0.11	0.08
Diluted earnings per share, continuing operations (EUR/share)	0.11	0.08

Undiluted earnings per share have been calculated by dividing the profit for the period from continuing operations attributable to the shareholders of the parent company by the weighted average number of outstanding shares during the financial period.

In calculating diluted earnings per share, the weighted average number of shares takes into account the dilutive effect of converting all dilutive potential shares into shares.

EARNINGS PER SHARE

(EUR million)	2023	2022
Profit for the period for equity holders of the parent company (EUR million)	17.5	4.8
Undiluted weighted average of shares in the financial period	158,018,285	158,639,663
Dilution resulting from share-based compensation	695,670	720,838
Diluted weighted average of shares in the financial period	158,713,955	159,360,501
Undiluted earnings per share (EUR/share)	0.11	0.03
Diluted earnings per share (EUR/share)	0.11	0.03

Undiluted earnings per share have been calculated by dividing the profit for the period attributable to the shareholders of the parent company by the weighted average number of outstanding shares during the financial period.

In calculating diluted earnings per share, the weighted average number of shares takes into account the dilutive effect of converting all dilutive potential shares into shares.

8 Personnel and related parties

This section includes the notes on personnel and related parties.

8.1 Employee benefits

Accounting policies
Employee benefits include short-term employee benefits, termination benefits and post-employment benefits.

Short-term employee benefits include wages and salaries, fringe benefits, annual leave and bonuses, among others. Termination benefits refer to benefits arising from the termination of employment and service.

Post-employment benefits consist of pensions and other post-employment benefits paid. Pension schemes are classified as defined contribution and defined benefit schemes. The Group only has defined contribution pension schemes.

Under defined contribution schemes, the Group makes payments to separate units. The Group has no legal or constructive obligation to make further payments if the payment recipient does not have sufficient assets to pay the pension benefits in question. All arrangements not meeting these conditions are defined benefit schemes.

The Group's pension schemes comply with the local regulations of each country. Pension schemes are usually managed by separate pension insurance companies. The Group's foreign schemes, as well as the Finnish TyEL scheme, are defined contribution systems. Payments made to defined contribution pension schemes are recognised through profit or loss in the accounting period the charge applies to. The Group has no defined benefit schemes.

EXPENSES ARISING FROM EMPLOYEE BENEFITS

(EUR million)	2023	2022
Wages and salaries	20.7	19.9
Termination benefits	0.6	
Pension expenses, defined contribution plans	3.1	3.2
Share-based rewards	0.5	0.5
Other social security expenses	1.5	1.1
Total	26.2	24.6

AVERAGE NUMBER OF PEOPLE EMPLOYED BY THE GROUP IN THE FINANCIAL YEAR

	2023	2022
Healthy Food	114	112
Healthy Ingredients	184	185
Other Operations	47	45
Total	344	342

8.2 Share-based payments

Key estimates and discretionary solutions
Under the share-based incentive scheme, the potential reward for each earnings period is based on the company's Total Shareholder Return (TSR). In addition, the reward payment required the achievement of the Group's cumulative profit target (EBT, earnings before taxes) in the corresponding period. Management changed the cumulative profit target (EBT) to be the EBIT profit target from the comparison period 2022 onwards.

Accounting policies
The shares issued under the share-based incentive schemes are measured at fair value at grant date and recognised as employee benefit expenses on a straight-line basis over the earnings and commitment periods. Cash-settled transactions are estimated using the share price at each closing date and amortised through profit or loss as employee benefit expenses from the grant date to the end date of the earnings period or commitment period, whichever is longer. The contribution in shares and cash is recognised in shareholders' equity and social costs in liabilities. Payments made on the basis of share-based incentive schemes are paid as company shares previously acquired for the parent company, as cash or as a combination of these two.

Share-based payments
On 31 December 2022, the Raisio Group had four valid share-based incentive schemes aimed at the Group's management and designated key persons and approved by Raisio plc's Board of Directors: scheme 2021–2023, scheme 2022–2024, scheme 2023–2025 and scheme 2024–2026. In each share-based incentive scheme, the total amount of the rewards payable on the basis of its earnings period corresponds to the value of up to 1,000,000 Raisio plc's free shares, including the part paid in cash.

The earnings period of each share-based incentive scheme is three years. For each earnings period, Raisio plc's Board of Directors decides on the earnings criteria, the target group and the maximum amount of the share reward per participant. The amount of the reward and the number of Raisio plc's free shares to be transferred based on the achievement of the earnings criteria of the scheme are determined by the Board of Directors at the beginning of the year following the end of the earnings period.

In all schemes, the potential reward for each earnings period is based on the company's Total Shareholder Return (TSR). In addition to this, the payment of the reward is conditional on the achievement of the Group's cumulative profit target (EBIT) in the corresponding period. Possible rewards are paid partly in the company's free shares and partly in cash. The cash payment is made to cover the key employee's taxes and fiscal fees arising from the reward. If the employment or service of the person ends before the reward payment, the reward is generally not paid.

The Board recommends that the key employees within the scheme hold a substantial part of all shares they have received based on the scheme until the value of their holdings corresponds to their six months' gross salary.

The targets of the share-based incentive scheme were not met for the 2021–2023 and 2020–2022 earnings periods.

Based on the decision of the General Meetings, the members of the Board of Directors have been paid 20% of their rewards by assigning the company's own shares to them. For the financial year 1 January–31 December 2023, a total of 21,379 free shares have been granted to the Chairperson and members of the Board of Directors as part of their remuneration for the performance of their duties. For the financial year 1 January–31 December 2022, a total of 16,765 free shares have been granted to the Chairperson and members of the Board.

Share-based schemes

SHARE-BASED INCENTIVE SCHEMES

(EUR million)	2020–2022	2021–2023	2022–2024	2023–2025	2024–2026
Original number of shares	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Original grant date	21 January 2020	18 January 2021	28 January 2022	4 January 2019	
Exercise date	30 April 2023	30 April 2024	30 April 2025	30 April 2026	4 January 2019
Vesting period, years	3.3	3.3	3.3	3.3	3.3
Remaining vesting period, years		0.3	1.3	2.3	3.3
Number of persons at the end of the period		18	19	29	
Payment method	shares and cash	shares and cash	shares and cash	shares and cash	shares and cash

CHANGES IN 2023	2020–2022 number of shares	2021–2023 number of shares	2022–2024 number of shares	2023–2025 number of shares	2024–2026 number of shares
1 January 2023					
Number of shares at the beginning of the reporting period	535,000	755,000	765,000		
In reserve at the beginning of the reporting period	465,000	245,000	235,000	1,000,000	
Changes during the reporting period					
Granted				890,000	
Cancelled		205,000	195,000	130,000	
Realised					
Expired	1,000,000				
31 December 2023					
Number of shares at the end of the reporting period		550,000	570,000	760,000	
In reserve at the end of the reporting period		450,000	430,000	240,000	1,000,000

Determination of fair value

The fair value per share was determined on the grant date using a Monte Carlo simulation for the market-based (TSR) criterion. The gross amount of the reward is recorded in equity and amortised until the exercise date. The fair value of any incidental expenses paid by the company is determined at each reporting date until the possible reward has been paid. Thus, the amount of debt changes as the share price changes.

PARAMETERS USED IN THE CALCULATION OF SHARE-BASED INCENTIVE SCHEMES GRANTED DURING THE PERIOD

(EUR million)	2023		2022	
Share price at grant date, euros	2.33		3.16	
Share price at closing date, euros	1.98		2.49	
Share price increase assumption, p.a.	6.4	%	6.4	%
Share volatility*	27.6	%	25.4	%
Expected dividends before reward payment, euros	0.52		0.55	
Discount rate	2.5**	%	4.0	%
Years to maturity	3.3		3.2	
Fair value at grant date	1.01		1.00	

* Calculated based on historical daily price observations for a period corresponding to the maturity.
** Risk-free rate

COSTS FROM EMPLOYEE BENEFITS INCLUDE EQUITY-SETTLED SHARE-BASED PAYMENTS

(EUR million)	2023	2022
Equity-settled	0.5	0.5
Cash-settled	0.0	0.0
	0.5	0.5
Debt from cash-settled share-based plans	0.0	0.0

8.3 Related parties

The Raisio Group's related parties include its subsidiaries and the members of the Board of Directors and Supervisory Board and the CEO and other members of the Executive Committee, as well as close family members of the aforementioned individuals and entities in which these individuals have control or considerable influence.

8.3.1 Related party transactions

(EUR million)	2023	2022
Sales to key employees in management	1.9	1.9
Purchases from key employees in management	0.3	0.4
Current receivables from key employees in management	0.1	0.2
Payables to key employees in management	0.0	0.0

Sales to key management personnel are carried out at fair market price.

AUDITORS' REMUNERATIONS

(EUR million)	2023	2022
Auditors' remunerations:		
Audit	0.2	0.2
Other services	0.0	0.0
Total	**0.2**	**0.2**

8.3.2 Management's employee benefits

(EUR million)	2023	2022
Salaries and fees	2.1	2.2
Termination benefits	0.4	
Share-based payments	0.3	0.4
Total	**2.9**	**2.6**
Members of the Supervisory Board	0.0	0.0
Members of the Board of Directors	0.3	0.3
CEO and the Group Executive Committee:		
CEO	0.7	06
Other members of the Executive Committee	1.8	1.6
Total	**2.5**	**2.3**

8.3.3 Pension and other benefits

The pensions of the CEO and members of the Group Executive Committee are determined in accordance with the employment pension scheme in Finland, and these individuals fall within the sphere of the group pension insurance policy for Raisio Group management. The annual contribution paid for the group pension insurance policy is 15 per cent of a director's basic annual salary. The statutory pensionable age is used in executive-level contracts. The CEO's pensionable age is 62 years. The notice period for the CEO's executive contract is 6 months from both sides. If the contract is terminated by the company, the CEO is entitled to compensation corresponding to 12 months' pay, in addition to the pay for the period of notice.

SUPPLEMENTARY PENSION COSTS

(EUR million)	2023	2022
CEO	0.1	0.1
Other members of the Executive Committee	0.2	0.2
Total	0.3	0.3

In 2023, the cost of the supplementary pension insurance amounted to EUR 0.1 million for the CEO and EUR 0.2 million for other Executive Committee members, totalling EUR 0.3 million. In 2022, the cost of the supplementary pension insurance amounted to EUR 0.1 million for the CEO and EUR 0.2 million for other Executive Committee members, totalling EUR 0.3 million.

COMPULSORY PENSION INSURANCE COSTS

(EUR million)	2023	2022
CEO	0.1	0.1
Other members of the Executive Committee	0.2	0.2
Total	0.3	0.4

In 2023, the cost of the compulsory pension insurance amounted to EUR 0.1 million for the CEO and EUR 0.2 million for other Executive Committee members, totalling EUR 0.3 million.

In 2022, the cost of the compulsory pension insurance amounted to EUR 0.1 million for the CEO and EUR 0.2 million for other Executive Committee members, totalling EUR 0.4 million.

9 Other notes

This section includes the notes on other income and expenses and provisions.

9.1 Other operating income and expenses

Accounting policies
Other operating income and expenses include income and expenses other than those related to actual sales. Other operating income and expenses also include gains and losses on the disposal of tangible and intangible assets, other income or expenses, and realised and unrealised foreign exchange gains and losses related to accounts receivable and payable.

OTHER OPERATING INCOME AND EXPENSES

(EUR million)	2023	2022
Gains and losses on the sale of tangible and intangible fixed assets	0.0	0.1
Other income and expenses from business	1.4	-0.3
Total	1.5	-0.3

Other operating income includes the realised and unrealised exchange rate differences in sales and purchases as well as other various income and expenses. Operating income for the financial year 1 January–31 December 2022 includes a return of EUR 1.1 million in pension fund surplus from previous years.

9.2 Provisions

Accounting policies
A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If part of the obligation can be compensated by a third party, the compensation is entered as a separate asset, but only when it is virtually certain that the compensation will be received. Provisions are valued at the present value of the expenditure required to settle the obligation. The present value is calculated using a discount factor that has been selected to reflect current market assessments of the time value of money and the risks specific to the liability. Provision amounts are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A reorganisation is entered when the Group has prepared a detailed reorganisation plan and started its implementation or made an announcement of the matter. The reorganisation plan must contain at least the following information: the business concerned; the principal locations affected; the location, function and approximate number of employees who will be compensated for terminating their services; the expenditures that will be undertaken; and when the plan will be implemented.

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations exceed the benefits expected to be received under the contract.

A provision is entered for liabilities related to write-offs and restoration to an original state when, according to environmental legislation and the Group's environmental responsibility principles, the Group has a liability related to the writing off of a production plant, rectification of environmental damage or the transportation of equipment from one place to another.

Key estimates and discretionary solutions
Management regularly assesses the amount of expenditure recognised as a provision to ensure that it corresponds to the liabilities needed to fulfil the current obligations at the end of each reporting period. At management's discretion, a provision of EUR 0.5 million related to an acquisition arrangement was recognised in the financial statements for the period 1 January–31 December 2023. No provisions were recognised in the comparison period 1 January–31 December 2022.

PROVISIONS

(EUR million)	31 December 2023	31 December 2022
At the beginning of the period	-	-
Increases in provisions	0.5	-
At the end of the period	0.5	-

The increase in provisions is an anticipated expenditure related to an acquisition arrangement.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PARENT COMPANY FINANCIAL STATEMENTS (FAS)

Parent company income statement

(EUR)	Note	1 January–31 December 2023	1 January–31 December 2022
NET SALES		1,745,167.19	1,644,445.65
Other operating income		3,673,916.44	
Personnel expenses	1.	-4,101,894.67	-3,476,617.51
Depreciation and impairment	2.	-13,145.96	-12,875.55
Other operating expenses	3.	-3,683,771.01	-2,660,822.47
PROFIT (LOSS)		-2,379,728.01	-4,505,869.881
Financial income and expenses	4.	+9,659,015.70	+35,527,225.11
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		7,279,287.69	31,021,355.23
Appropriations	5.	+9,323,554.08	+4,844,199.83
Income taxes	6.	-742,943.20	-20,186.39
PROFIT (LOSS) FOR THE FINANCIAL PERIOD		15,859,898.57	35,845,368.67

Parent company balance sheet

(EUR)	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Intangible assets	7.	24,132.97	27,672.79
Tangible assets	7.	401,457.31	365,051.21
Holdings in Group companies	8.	209,692,636.87	210,386,887.43
Receivables from Group companies	8.	3,600,000.00	3,500,000.00
Other investments	8.	25,498.29	25,498.29
		213,743,725.44	**214,305,109.72**
Current assets			
Receivables	9.	15,341,207.21	15,067,551.80
Securities under financial assets	10.	49,271,538.34	38,694,282.18
Cash and bank receivables		28,443,803.18	26,900,160.30
		93,056,548.73	**80,661,994.28**
TOTAL ASSETS		**306,800,274.17**	**294,967,104.00**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	11.		
Share capital		27,776,072.91	27,776,072.91
Premium fund		2,908,045.06	2,908,045.06
Reserve fund		88,586,879.98	88,586,879.98
Invested unrestricted shareholders' equity fund		20,784,370.92	20,784,370.92
Retained earnings		87,705,230.97	73,673,682.51
Profit for the financial period		15,859,898.57	35,845,368.67
		243,620,498.41	**249,574,420.05**
ACCUMULATED APPROPRIATIONS	12.	**34,104.73**	**23,158.81**
Liabilities			
Current liabilities	13.	63,145,671.03	45,369,525.14
		63,145,671.03	45,369,525.14
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**306,800,274.17**	**294,967,104.00**

Parent company cash flow statement

(EUR 1,000)	2023	2022
CASH FLOW FROM BUSINESS OPERATIONS		
Profit (loss) before appropriations and taxes	7,279	31,021
Adjustments to EBIT:		
Planned depreciations	13	13
Financial income and expenses	-9,659	-35,527
Other income and expenses not involving disbursement	-3,627	1,237
Cash flow before change in working capital	**-5,993**	**-3,256**
Change in working capital		
Increase (-) / decrease (+) in current receivables	+1,034	-1,597
Increase (+) / decrease (-) in current interest-free liabilities	+1,406	-274
	2,440	**-1,870**
Cash flow from business operations before financial items and taxes	-2,804	-5,126
Interest paid and payments for financial expenses from business operations	2	-1,027
Interest received and other financial income	2,117	849
Income taxes paid	-183	-774
CASH FLOW FROM BUSINESS OPERATIONS	**-4,420**	**-6,077**
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-46	
Proceeds from subsidiary shares	4,368	
Proceeds from the sale of securities		382
Loans granted	-100	-1,000
CASH FLOW FROM INVESTMENTS	**4,223**	**-619**
Cash flow after investments	-198	-6,696
CASH FLOW FROM FINANCIAL OPERATIONS		
Other financial items, net		-99
Dividends received from Group companies	8,724	37,061
Increase (+) / decrease (-) in current liabilities	+20,851	-35,585
Group contributions received and paid	4,845	10,062
Dividend paid and other distribution of profit	-22,101	-22,110
CASH FLOW FROM FINANCIAL OPERATIONS	**12,319**	**-10,672**
Change in liquid funds	12,121	-17,368
Liquid funds at the beginning of the period	65,594	82,962
Liquid funds at the end of the period	**77,715**	**65,594**

Parent company's accounting policies

Raisio plc's financial statements have been prepared in accordance with the Finnish Accounting Act. The financial statements have been prepared for the 12-month financial year of 1 January–31 December 2023. The financial statements are presented in euros.

Foreign currency items

Foreign currency transactions are recorded using the exchange rate at the transaction date. Foreign currency receivables and liabilities outstanding at the end of the financial year are measured using the closing date exchange rates. Realised exchange rate differences and gains and losses arising from the valuation of receivables and liabilities are recorded in the income statement. Exchange rate gains and losses related to actual business operations are treated as adjustment items on sales and purchases, and those related to financing are presented under financing income and expenses.

Changes in the value of foreign currency loans are recorded in the income statement under financial income and expenses. Raisio plc does not currently have foreign currency loans.

Derivative contracts

In line with its risk management policy, the company may use derivatives to hedge against currency and interest rate risks. Currency forward contracts are used to hedge receivables and liabilities in foreign currencies as well as future commercial cash flows. Derivative contracts are initially recognised at the date of the contract at the lower of cost of acquisition or fair value in accordance with the principle of prudence. Exchange rate differences arising from them are entered through profit or loss.

Revenue recognition

The sale of a service is recognised when the service is completed or the work is done.

Pension arrangements

Statutory and voluntary pension security for the company personnel is arranged through pension insurance companies. Pension expenditure is entered as an expense in the year it is accrued. The CEO has the right and obligation to retire at the age of 62.

Leases

Payments related to leases are amortised in the income statement as an expense over the lease term.

Net sales

Net sales include income from services provided by the parent company to Group companies.

Other operating income

Profit from asset sales and other income not related to actual sales of goods and services are presented as other operating income.

Income taxes

Taxes in the company's income statement include taxes paid in the financial period, calculated on the basis of the taxable profit, and taxes paid in previous financial periods. The financial statements show accumulated appropriations in full on the balance sheet, and the included tax liability is not treated as debt. Deferred taxes are not recorded.

Valuation of non-current assets

Tangible and intangible assets are entered in the balance sheet at their acquisition cost, less planned depreciation. Planned depreciation is calculated using the straight line depreciation method, based on the useful life of tangible and intangible assets. Depreciation is made from the month of introduction of the asset.

The depreciation periods are as follows:

- buildings and structures 10–25 years
- machinery and equipment 4–10 years
- intangible rights 5–10 years
- other long-term expenses 5–20 years.

The acquisition costs of non-current assets whose probable useful life is less than three years, as well as small purchases (below EUR 1,200), are recorded as an expense in their entirety.

Sales profits and losses are determined by comparing the sales profit to the carrying amount. Sales profits and losses are included in the income statement under other operating income and expenses.

Shares and investments in subsidiaries in the company's fixed asset investments are valued at the lower of acquisition cost or fair value.

Valuation of receivables and liabilities

Receivables are measured at the lower of acquisition cost or probable value. Liabilities are measured at their nominal value.

Provisions

Provisions are entered when the company has a legal or constructive obligation following an event, the realisation of the obligation is likely and the amount of the obligation can be reliably estimated. If part of the obligation can be compensated by a third party, the compensation is entered as a separate asset, but only when it is virtually certain that the compensation will be received.

A reorganisation is entered when the company has prepared a detailed reorganisation plan and started its implementation or made an announcement of the matter.

Management of financial risks and instruments

The parent company's financial risks do not differ materially from the Group's financial risks, see Chapter 5 'Financial items and risk management' of the consolidated financial statements.

Liquid funds
Cash and bank receivables include money in bank accounts.

Share-based payments
On 31 December 2023, Raisio plc has four share-based incentive schemes aimed at the Group's management and designated key persons and approved by Raisio plc's Board of Directors: scheme 2021–2023, scheme 2022–2024, scheme 2023–2025 and scheme 2024–2026.

The earnings period of each share-based incentive scheme is three years. For each earnings period, Raisio plc's Board of Directors decides on the earnings criteria, the target group and the maximum amount of the share reward per participant. The amount of the reward and the number of Raisio plc's free shares to be transferred based on the achievement of the earnings criteria of the scheme are determined by the Board of Directors at the beginning of the year following the end of the earnings period.

In all schemes, the potential reward for each earnings period is based on the company's Total Shareholder Return (TSR). In addition to this, the payment of the reward is conditional on the achievement of the Group's cumulative profit target (EBIT) in the corresponding period. Possible rewards are paid partly in the company's free shares and partly in cash. The cash payment is made to cover the key employee's taxes and fiscal fees arising from the reward. If the employment or service of the person ends before the reward payment, the reward is generally not paid.

Dividends payable
The dividends paid by the company are recorded in the financial period during which the shareholders have approved the dividend payment.

Appropriations
The appropriations consist of received and paid Group contributions and the change in the depreciation difference.

Borrowing costs
Borrowing costs are entered as an expense in the period in which they are incurred.

Company shares
The acquisition of company shares and related costs are presented in the company's financial statements as a deduction from retained earnings. The conveyance of company shares is presented as an addition to retained earnings, except for the company shares issued in a directed share issue. The subscription price of these shares is entered in the invested unrestricted equity fund and their acquisition cost is still presented in retained earnings.

Cash flow statement
Cash flows for the financial period are categorised into cash flows from business operations, investments and financing. The cash flow statement is prepared using the indirect method.

Notes to the parent company income statement

1. Personnel expenses

WAGES AND SOCIAL SECURITY EXPENSES

(EUR)	2023	2022
Salaries and fees	3,362,283.50	2,839,844.64
Pension expenses	618,926.45	525,393.36
Other social security expenses	120,684.72	111,389.51
Total	**4,101,894.67**	**3,476,627.51**

MANAGEMENT'S SALARIES AND FEES ON A CASH BASIS

(EUR)	2023	2022
Payment criteria		
CEO	588,776.65	782,136.01
Members of the Board of Directors	291,100.00	252,400.00
Members of the Supervisory Board	44,900.00	43,850.00
Total	**924,776.65**	**1,078,386.01**

AVERAGE NUMBER OF PARENT COMPANY PERSONNEL

	2023	2022
Salaried employees	31	30

Related party liabilities
Pension liability for members of the Board of Directors and CEO. The parent company's CEO has the right and obligation to retire at the age of 62.

2. Depreciation and impairment

(EUR)	2023	2022
Planned depreciation	13,145.96	12,875.55

3. Other operating expenses

(EUR)	2023	2022
Ernst & Young Oy		
Audit	91,718.54	62,927.00
Other services	1,600.00	
Total	**93,318.54**	**62,927.00**
KPMG Oy Ab		
Audit	17,407.40	62,198.72
Other services		4,058.00
Total	**17,407.40**	66,256.72

(EUR)	2023	2022
Loss on sale of shares		537,980.00

4. Financial income and expenses

(EUR)	2023	2022
Dividend received		
From Group companies	8,723,526.27	37,060,850.67
From others	2,025.00	
Total	**8,725,551.27**	37,060,850.67
Total income from long-term investment	8,725,551.27	37,060,850.67
Other interest and financial income		
From Group companies	300,194.73	314,210.27
From others	3,230,960.26	659,192.61
Total other interest and financial income	**3,531,154.99**	**973,402.88**
Total financial income	**12,256,706.26**	**38,034,253.55**
Exchange rate differences		
Group companies	265,301.37	-1,177,231.12
Other	-59,173.21	1,002,224.39
Total exchange rate differences	**206,128.16**	**-175,006.73**
Interest paid and other financial expenses		
To Group companies	-2,035,966.50	-232,200.19
To others	-767,852.22	-2,099,821.52
Total interest paid and other financial expenses	**-2,803,818.72**	**-2,332,021.71**
Total financial expenses	**-2,597,690.56**	**-2,507,028.44**
Total financial income and expenses	**9,659,015.70**	**35,527,225.11**

5. Appropriations

(EUR)	2023	2022
Difference between planned depreciations and depreciations made in taxation	-10,945.92	-800.17
Group contributions paid	-4,845,500.00	-5,110,000.00
Group contributions received	14,180,000.00	9,955,000.00
Total	**9,323,554.08**	**4,844,199.83**

6. Income taxes

(EUR)	2023	2022
Income taxes on appropriations	-1,866,900.00	-962,000.00
Income taxes on ordinary operations	1,259,163.71	941,985.68
Taxes from previous financial years	-135,206.91	-172.07
Total	**-742,943.20**	**-20,186.39**

Notes to the parent company balance sheet

7. Intangible assets 2023

(EUR)	Intangible rights	Other long-term expenses	Intangible assets total
Acquisition cost 1 January	184,923.98	24,512.64	209,436.62
Increase 1 January–31 December	2,755.00		2,755.00
Acquisition cost 31 December	**187,678.98**	**24,512.64**	**212,191.62**
Accumulated depreciation and write-downs 1 January	157,251.19	24,512.64	181,763.83
Depreciation for the financial period	6,294.82		6,294.82
Accumulated depreciation 31 December	**163,546.01**	**24,512.64**	**188,058.65**
Book value 31 December 2023	24,132.97	0.00	24,132.97
Book value 31 December 2022	27,672.79	0.00	27,672.79

7. Tangible assets 2023

(EUR)	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost 1 January	91,000.00	749,818.82	44,271.23	260,527.76	1,145,617.81
Increase 1 January–31 December		43,257.24			43,257.24
Acquisition cost 31 December	**91,000.00**	**793,076.06**	**44,271.23**	**260,527.76**	**1,188,875.05**
Accumulated depreciation and write-downs 1 January	0.00	736,295.37	44,271.23	0.00	780,566.60
Depreciation for the financial period		6,851.14			6,851.14
Accumulated depreciation 31 December	**0.00**	**743,146.51**	**44,271.23**	**0.00**	**787,417.74**
Book value 31 December 2023	91,000.00	49,929.55	0.00	260,527.76	401,457.31
Book value 31 December 2022	91,000.00	13,523.45	0.00	260,527.76	365,051.21
Book value of the production machinery and equipment					
31 December 2023			0.00		
31 December 2022			0.00		

8. Investments 2023

(EUR)	Group company shares	Other shares	Total investments
Acquisition cost 1 January	**210,386,887.43**	25,498.29	210,412,385.72
Decrease 1 January–31 December	694,250.56		694,250.56
Acquisition cost 31 December	**209,692,636.87**	**25,498.29**	**209,718,135.16**
Book value 31 December 2023	209,692,636.87	25,498.29	209,718,135.16
Book value 31 December 2022	210,386,887.43	25,498.29	210,412,385.72

SHARES AND HOLDINGS 2023

	Group holding %	Parent company holding %
Group companies		
Raisionkaari Industrial Park Ltd, Raisio	100.00	50.00
Raisio UK Limited, UK	100.00	100.00
Raisio Nutrition Ltd, Raisio	100.00	100.00
Nordic Feed Innovations Oy, Turku	100.00	100.00
Verso Food Oy, Kauhava	100.00	100.00

9. Receivables

(EUR)	2023	2022
Long-term receivables		
Receivables from Group companies		
Loan receivables	3,600,000.00	3,500,000.00
Total long-term receivables	**3,600,000.00**	**3,500,000.00**
Current receivables		
Accounts receivable	14,378.29	2,722.63
Receivables from Group companies		
Accounts receivable	19,882.18	29,956.55
Loan receivables, cash pool	96,507.97	3,992,022.49
Other receivables	14,204,044.72	9,980,224.00
Accrued income	91,309.07	24,509.01
	14,411,743.94	**14,026,712.05**
Other receivables	185,987.51	31,424.92
Accrued income	729,097.47	1,006,692.20
Total current receivables	**15,341,207.21**	**15,067,551.80**
Total receivables	**18,941,207.21**	**18,567,551.80**

Accrued income includes items related to the timing of operating income and expenses and financial items.

10. Securities under financial assets

(EUR)	2023	2022
Market value	50,100,136.46	38,694,282.18
Book value	49,271,538.34	38,694,282.18
Difference	**828,598.12**	**0.00**

11. Shareholders' equity

(EUR)	2023	2022
Restricted shareholders' equity		
Share capital 1 January	27,776,072.91	27,776,072.91
Share capital 31 December	27,776,072.91	27,776,072.91
Premium fund 1 January	2,908,045.06	2,908,045.06
Premium fund 31 December	2,908,045.06	2,908,045.06
Reserve fund 1 January	88,586,879.98	88,586,879.98
Reserve fund 31 December	88,586,879.98	88,586,879.98
Total restricted shareholders' equity	**119,270,997.95**	**119,270,997.95**
Unrestricted shareholders' equity		
Invested unrestricted shareholders' equity fund 1 January	20,784,370.92	20,784,370.92
Invested unrestricted shareholders' equity fund 31 December	20,784,370.92	20,784,370.92
Retained earnings 1 January	109,519,051.18	95,093,708.57
Dividend distributed	-22,112,525.96	-22,217,418.58
Unclaimed dividends	254,547.56	98,302.01
Disposal of company shares	44,158.19	699,090.51
Retained earnings 31 December	87,705,230.97	73,673,682.51
Result for the period	15,859,898.57	35,845,368.67
Total unrestricted shareholders' equity	**124,349,500.46**	**130,303,422.10**
Total shareholders' equity	**243,620,498.41**	**249,574,420.05**
Distributable equity	**124,349,500.46**	**130,303,422.10**

PARENT COMPANY SHARE CAPITAL

	2023		2022	
	no.	EUR 1,000	no.	EUR 1,000
Restricted shares (20 votes/share)	30,108,594	5,254	30,701,070	5,332
Free shares (1 vote/share)	129,061,742	22,522	129,235,264	22,444
Total	**159,170,336**	**27,776**	**159,936,334**	**27,776**

COMPANY SHARES HELD BY PARENT COMPANY

	2023		2022	
	no.	EUR 1,000	no.	EUR 1,000
Restricted shares (20 votes/share)				
Free shares (1 vote/share)	1,202,343	2,820	1,223,722	2,851
Total	**1,202,343**	**2,820**	1,223,722	2,851

The probable transfer price of company shares held by the company on the date of the financial statements was EUR 2,380 thousand (EUR 3,047 thousand in 2022).

12. Accumulated appropriations

The accumulated appropriations consist of the accumulated depreciation difference.

Liabilities

13. Current liabilities

(EUR)	2023	2022
Accounts payable	1,667,314.51	409,623.05
Liabilities to Group companies		
Accounts payable	2,338.52	4,846.94
Other liabilities	5,009,494.07	5,112,329.38
Other interest-bearing liabilities, cash pool	55,553,068.80	38,597,451.10
	60,564,901.39	**43,714,627.42**
Other liabilities	248,845.77	605,564.96
Accrued liabilities	664,609.36	639,709.71
Total current liabilities	**63,145,671.03**	**45,369,525.14**
Interest-fee debts	**7,592,602.23**	**6,772,074.04**

Accrued liabilities include accrued business expenses, financial items and taxes.

Other notes to the parent company accounts

Off-balance sheet guarantees, contingent liabilities and other liabilities

(EUR)	2023	2022
Leasing liabilities		
Amounts outstanding on leasing contracts		
Payable in the current financial year	57,884.20	63,051.37
Payable at a later date	17,488.50	38,840.36
Total	**75,372.70**	**101,891.73**
Contingent liabilities for Group companies		
Guarantees	20,592,414.00	23,052,192.00
Total	**20,592,414.00**	23,052,192.00

Leasing contracts do not include substantial liabilities related to termination and redemption terms.

Derivative contracts

The company uses derivative contracts for hedging. The values of the underlying instruments for derivative contracts, stated above, indicate the scope of the hedging measures. The fair values of derivative contracts show the result had the derivative position been closed at market price on the closing day.

The value of the underlying instrument is the sum of open forward and option contracts converted into euros at the exchange rate of the closing day.

(EUR)	2023	2022
Currency options:		
Fair value	94,647.00	82,816.00
Value of underlying instruments	7,247,516.00	8,132,828.00
Currency forward contracts:		
Fair value	164,441.01	275,216.38
Value of underlying instruments	29,600,129.39	35,639,350.00
Interest rate swaps:		
Fair value	553,539.34	998,788.78
Value of underlying instruments	13,519,850.00	14,529,689
Fair value hedging		
Fair value	83,250.00	
Value of underlying instruments	867,500.00	

Other liabilities

Long-term incentive scheme

The company is committed to a long-term incentive scheme. The purpose of the scheme is to support the achievement of the company's long-term objectives, serve as a share-based incentive scheme for the company's senior management and commit the participants to work persistently for the company's success.

Based on the earnings period 2020–2022, no rewards were paid in the financial year that ended on 31 December 2023 and therefore no shares were granted, as the earnings criteria set out in the scheme were not met.

Share-based schemes

SHARE-BASED INCENTIVE SCHEME

(EUR million)	2020–2022	2021–2023	2022–2024	2023–2025	2024-2026
Original number of shares	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Original grant date	21 January 2020	18 January 2021	28 January 2022	4 January 2019	
Exercise date	30 April 2023	30 April 2024	30 April 2025	30 April 2026	4 January 2019
Vesting period, years	3.3	3.3	3.3	3.3	3.3
Remaining vesting period, years		0.3	1.3	2.3	3.3
Number of persons at the end of the period		18	19	29	
Payment method	shares and cash	shares and cash	shares and cash	shares and cash	shares and cash

Changes in 2023	2020–2022 number of shares	2021–2023 number of shares	2022–2024 number of shares	2023–2025 number of shares	2024–2026 number of shares
1 January 2023					
Number of shares at the beginning of the reporting period	535,000	755,000	765,000		
31 December 2023					
Number of shares at the end of the reporting period		550,000	570,000	760,000	

PROPOSAL FOR THE DISPOSAL OF PROFIT, SIGNATURES TO THE BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS AND THE AUDITOR'S NOTE

Proposal for the disposal of profit

The parent company's distributable assets based on the balance sheet on 31 December 2023 totalled EUR 124,349,500.46.

The Board of Directors proposes that a dividend of EUR 0.14 per share, of which EUR 0.03 as an extra dividend, be paid from the parent company's retained earnings.

total	EUR 22,283,847.04
amount left in the profit account	EUR 102,065,653.42

However, no dividends will be paid on the shares held by the company on the record date 11 April 2024. The payment date of the dividend is proposed to be 18 April 2024.

No significant changes have taken place in the company's financial position after the end of the financial year. The company's liquidity is good, and the Board's view is that the proposed dividend payout does not endanger the company's solvency.

Signatures to the Financial Statements and the Board of Directors' report

In Raisio, Finland, 12 February 2024

Arto Tiitinen	Erkki Haavisto
Leena Niemistö	Lauri Sipponen
Ann-Christine Sundell	Pekka Tennilä

Pekka Kuusniemi
CEO

Auditor's note

A report on the audit has been issued today.

In Helsinki, Finland, 12 February 2024
Ernst & Young Oy
audit firm

Mikko Järventausta	Minna Viinikkala
Authorized Public Accountant	Authorized Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Raisio Oyj

(TRANSLATION OF THE FINNISH ORIGINAL)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raisio Oyj (business identity code 0664032-4) for the year ended 31 December, 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position , financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8.3 to the consolidated financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the ***Auditor's responsibilities for the audit of the financial statements*** section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Valuation of goodwill and intangible assets (trademarks) with indefinite useful lives.
We refer to the Group's accounting policies and the notes 4.1, 4.2 and 4.4

Key audit matter

At the balance sheet date, the value of goodwill amounted to 47,9 million euro and trademarks with indefinite useful lives amounted to 28,1 million euro representing 23 % of total assets and 29 % of equity (2022: 75,6 million euro, 23 % of total assets and 29 % of equity).

Goodwill and trademarks with indefinite useful lives are tested for impairment annually or if there is any indication of impairment. The recoverable amount of cash generating units is based on value in use calculations, the outcome of which could vary significantly if different assumptions were applied. There are a number of assumptions used to determine the value in use of the cash generating units, including revenue growth, margin and the discount rate applied. Changes in the above-mentioned assumptions may result in an impairment of goodwill.

The annual impairment test is a key audit matter because

- The assessment process is complex and is based on estimates;
- It is based on assumptions relating to market or economic conditions; and
- Of the significance of the goodwill and trademarks with indefinite useful lives to the balance sheet total.

This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).

How our audit addressed the key audit matter

Our audit procedures to address the risk of material misstatement in respect of valuation of goodwill and intangible assets (trademarks) with indefinite useful lives included, among others, the following audit procedures:

- We involved our valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group, specifically focusing to those relating to the forecast growth, margin and discount rate used.
- We assessed the sensitivity analyses and whether any reasonably possible changes in key assumptions could cause the carrying value of the cash generating unit to exceed its recoverable amount.
- We assessed the accuracy of the impairment testing calculations.
- We evaluated the appropriateness of the Group's disclosures in respect of goodwill and trademarks with indefinite useful lives

Revenue Recognition
We refer to the Group's accounting policies and the note 2.2

Key audit matter

Revenues from the sale of goods are recorded when the customer has gained the ownership and when risks and benefits related to the ownership have been transferred to the purchaser whereby control is deemed to have passed to the customer.

The Group focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized too early.

Revenue recognition was key audit matter due to risk related to correct timing of revenue. This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).

How our audit addressed the key audit matter

Our audit procedures to address the risk of material misstatement in respect of revenue recognition included among others:

- We assessed the compliance of the Group's accounting policies over revenue recognition with applicable accounting standards.
- We familiarized ourselves with the Group's processes and controls over timing of revenue recognition and over the calculation of discounts and credits.
- We tested the correct timing of revenue by using analytical procedures and transaction level testing. Our procedures included data analytics and transaction level testing before and after the balance sheet date.
- We evaluated the appropriateness of the Group's disclosures in respect of revenues

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of inventory *We refer to the Group's accounting policies and the note 4.8*	
At the balance sheet date, the value of inventory amounted to 34,3 million euro. The valuation of inventories requires assessment by management especially in determining potential obsolete inventories and write-offs. The valuation of the inventory was a key audit matter as the amount of inventory in the financial statements is material and imposes management judgement.	We performed, among others, the following audit procedures: • We assessed the Group's accounting principles related to the valuation of inventories against applicable accounting standards. • We assessed by using analytical procedures and testing on a sample basis the underlying analyses and calculations prepared by the management relating to the costing of finished and semi-finished goods and determining the net realizable value. We familiarized ourselves regarding the relevant controls and processes. • We evaluated the appropriateness of the Group's disclosures in respect of balance sheet values and the accounting principles concerning the valuation of inventories.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 12.4.2022, and our appointment represents a total period of uninterrupted engagement of two years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 12.2.2024

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta	Minna Viinikkala
Authorized Public Accountant	Authorized Public Accountant

STATEMENT OF THE SUPERVISORY BOARD

At its meeting today, the Supervisory Board studied the financial statement, the consolidated financial statement and auditors' report for the financial period 1.1.–31.12.2023.

The Supervisory Board gives its assent to the approval of the financial statements and the consolidated financial statements and concurs with the Board of Directors' proposal for the allocation of profits.

Raisio, 14 February 2024

For the Supervisory Board

Tuomas Levomäki
Chairman

INDEPENDENT AUDITOR'S REPORT ON RAISIO OYJ'S ESEF-CONSOLIDATED FINANCIAL STATEMENTS

(TRANSLATION OF THE FINNISH ORIGINAL)

To the Board of Directors of Raisio Oyj

We have performed a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files 74370083282NHIP4QD02-2023-12-31-fi.zip of Raisio Oyj (business identity code: 0664032-4) for the financial year 1.1.-31.12.2023 to ensure that the financial statements are marked/tagged with iXBRL in accordance with the requirements of Article 4 of EU Commission Delegated Regulation (EU) 2018/815 (ESEF RTS).

Responsibilities of the Board of Directors and Managing Director

The Board of Directors and Managing Director are responsible for the preparation of the Report of Board of Directors and financial statements (ESEF financial statements) that comply with the ESESF RTS. This responsibility includes:

- Preparation of ESEF-financial statements in accordance with Article 3 of ESEF RTS
- Tagging the primary financial statements, notes to the financial statements and the entity identifier information in the consolidated financial statements included within the ESEF-financial statements by using the iXBRL mark ups in accordance with Article 4 of ESEF RTS
- Ensuring consistency between ESEF financial statements and audited financial statements.

The Board of Directors and Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of ESEF RTS.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Auditor's Responsibilities

In accordance with the Engagement Letter we will express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the Article 4 of ESEF RTS. We have conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000.

The engagement includes procedures to obtain evidence on:

- whether the tagging of the primary financial statements in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the tagging of the notes to the financial statements and the entity identifier information in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the ESEF-financial statements are consistent with the audited financial statements.

The nature, timing and extent of the procedures selected depend on the auditor's judgement including the assessment of risk of material departures from requirements sets out in the ESEF RTS, whether due to fraud or error.

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

Opinion

In our opinion the tagging of the primary financial statements, notes to the financial statements and the entity identifier information in the consolidated financial statements included in the ESEF financial statements 74370083282NHIP4QD02-2023-12-31-fi.zip of Raisio Oyj for the year ended 1.1.-31.12.2023 complies in all material respects with the requirements of ESEF RTS.

Our audit opinion on the consolidated financial statements of Raisio Oyj for the year ended 1.1.-31.12.2023 is included in our Independent Auditor's Report dated 12.2.2024. In this report, we do not express an audit opinion any other assurance on the consolidated financial statements.

Helsinki 12.3.2024

Ernst & Young Oy
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