HALF YEAR REPORT H1/2021
JULY 15, 2021

RAPALA VMC CORPORATION'S HALF YEAR REPORT H1/2021: STRONG GROWTH IN PROFITABILITY DRIVEN BY HIGH MARKET DEMAND AND STRONG WINTER SEASON AS WELL AS SIGNIFICANTLY FASTER THAN EXPECTED IMPLEMENTATION OF THE NEW ONE RAPALA VMC STRATEGY

January-June (H1) in brief:

- Net sales were 159.6 MEUR, up 36% from previous year (117.1). With comparable exchange rates sales were 41% up from previous year.
- Operating profit was 26.3 MEUR (-0.8).
- Comparable operating profit* was 26.5 MEUR (4.2).
- Earnings per share was 0.43 EUR (-0.12).
- Cash flow from operations was 23.1 MEUR (13.4).
- Inventories were 73.8 MEUR (83.5), down 12%.
- Net interest-bearing debt was 30.5 MEUR (63.5).
- Short-term outlook unchanged from April 20, 2021: The Group expects 2021 full year comparable operating profit* to increase significantly from the previous year.

* Excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability. Other items affecting comparability include material restructuring costs, impairments, gains and losses on business combinations and disposals, insurance compensations and other non-operational items.

President and CEO Nicolas Warchalowski: "We experienced a record first half of the year in 2021 following high demand in the fishing tackle industry and strong winter season as well as and significantly faster than expected strategy implementation. Fishing industry has experienced a strong increase in fishing participation around the world both from new anglers and returnees, which has been seen in crowded fishing shores and fishing docks as well as half-empty shelves in fishing stores in the spring and early summer.

We achieved great financial results in the first six months as our net sales increased by 36% from previous year, despite exiting certain Third Party categories. Following higher sales and successful turnaround of the Group, we significantly increased comparable operating profit to 26.5 MEUR for the first half of the year. Strong continued focus on cash flow management yielded great results as well: operative cash flow for the first half improved to 23.1 MEUR. We have also been successful in keeping our team members safe as there has been relatively few COVID cases in the Group in total. This is due to strong commitment to strict health and safety regulations by our team members around the world.

The implementation of our ONE RAPALA VMC business plan has continued to progress with a very rapid pace. As a result, we are well ahead of our initial timelines. Batam plant was closed down in an aggressive seven months time schedule and below internal cost budget. Additionally, we have consolidated our Nordic distribution centres in a record time of 21 months ahead of the original plan. The new distribution center is located in Pärnu, Estonia, and has started to serve our customers with excellence. Furthermore, our five new PD&I centers were fully operational and working well together five months ahead of schedule.

We have already cut a significant number of SKUs in Europe, and globally in soft plastic categories. This work will take a considerable step forward in the next quarters as we will expand this to all other regions and categories to execute the largest SKU clean-up in the company history. Additionally, we will consolidate our brand portfolio to favor future winners. Sustainability is one of the core fundamentals in our future strategy work and we are now beginning to take the leading position in sustainability within sport fishing industry. Operationally, we will continue to optimize our distribution centers and production facilities. In the lure factory in Pärnu, Estonia, we will invest in a new painting unit to reduce lead times, improve flexibility and scale up capacity.

I'm also extremely excited of the start of our collaboration with Okuma. We are preparing for massive marketing campaigns ahead of the launch of Okuma rods, reels and combos in Europe in 2022. The addition of Okuma products to our brand portfolio will release untapped potential in the category, which will further enhance the Group's product assortment for the future. As a demonstration of fast strategy execution, our key value drivers show positive development: solid 54% growth in Group Products sales, gross margin is increasing and investment in rod and reel segment are generating strong sales growth in the category.

All in all, I am extremely satisfied on the tremendous work by our team for being able to execute our ONE RAPALA VMC strategy at an amazing speed. At the same time, we have generated strong sales as fishing has been one of the few COVID-safe free time activities. Now, when societies start to re-open, consumers are partly going back to pre-pandemic recreational activities. In Europe, we currently see decreasing retail store activity in fishing, which will likely impact pre-orders for 2022. The general market sentiment in the overall industry is expected to cool down significantly also in North America with a short delay compared to Europe. However, private investments into fishing boats and global trends in outdoor and sport fishing are expected to take the fishing market to somewhat higher level than prior to the pandemic.

Key figures

MEUR	**H1 2021**	H1 2020	**Change %**	FY 2020
Net sales	**159.6**	117.1	**+36%**	261.3
Operating profit	**26.3**	-0.8		10.7
% of net sales	**16.5%**	-0.7%		4.1%
Comparable operating profit *	**26.5**	4.2	**+531%**	21.5
% of net sales	**16.6%**	3.6%		8.2%
Cash flow from operations	**23.1**	13.4	**+72%**	42.5
Gearing %	**18.6%**	43.7%		31.6%
EPS, EUR	**0.43**	-0.12		0.04

* Excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability. Other items affecting comparability include material restructuring costs, impairments, gains and losses on business combinations and disposals, insurance compensations and other non-operational items.

Rapala Group presents alternative performance measures to reflect the underlying business performance and to enhance comparability between financial periods. Alternative performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS. Definitions and reconciliation of key figures are presented in the financial section of the release.

Market Environment

During the first half of the year, trading conditions improved significantly from the comparison period, which was heavily affected by the COVID-19 pandemic. Business environment continued to strengthen from the end of 2020, and consumer demand increased considerably in the Group's key markets, especially in North America. Outdoor activities continued to increase popularity under COVID-19 as people were looking for safer activities. Good winter season in Nordics and North America contributed also positively to winter sports and ice fishing businesses.

Business Review January–June 2021

The Group's net sales for the first half were 36% above last year mainly driven by the strong demand for fishing gear, strong winter sales, and significantly faster than expected strategy implementation. Changes in translation exchange rates had somewhat negative impact on the sales and with comparable translation exchange rates, net sales were organically up by 41% from the comparison period.

North America

Sales in North America were 73% up from the comparison period with reported translation exchange rates and 86% with comparable translation exchange rates.

The sales increase was mostly driven by the exceptionally strong demand for fishing gear as fishing remained a popular COVID-safe activity. In the first half of 2021, Group's distribution centres in North America operated with the full capacity, whereas comparison period was affected by the temporary closures of the distribution centres in the USA and Canada. All Group Product categories witnessed double-digit growth.

Nordic

Sales in the Nordic market increased from the comparison period by 13%. With comparable translation exchange rates sales were up by 11% from the first half of 2020.

Group's distribution units were operating with full capacity throughout the first half of the year. Improved retail and end-consumer demand for fishing gear and good winter conditions increased sales from the comparison period. 13 Fishing products were successfully launched and well received by customers in the Nordic market. Sales reduction from the termination of certain Third Party distribution agreements was offset by increased Group Products sales.

Rest of Europe

With reported translation exchange rates, sales in Rest of Europe were 13% above the comparison period. With comparable translation exchange rates, sales were also up by 15% compared to the first half of 2020.

While governmental restrictions continued in some of the region's biggest markets, customer demand and sales started to recover and improved clearly compared to the first half of 2020. Changes in the Third Party rod and reel distribution affected negatively sales, but strong Group Products sales balanced the adverse impact. Most of the markets within Rest of Europe witnessed healthy growth.

Rest of the World

Sales in Rest of the World increased from the comparison period by 38% with reported currencies and by 38% also using comparable translation exchange rates.

During the first half of the year Rest of the World market area recovered well from the comparison period. Demand for the Group's offering was strong, and all the regional areas witnessed solid double-digit growth. Business environment got more favorable and consumer confidence improved as retail customers and consumers were able to better navigate under the COVID-19 pandemic.

External net sales by area

MEUR	**H1 2021**	H1 2020	**Change %**	**Comparable change %**	FY 2020
North America	**69.9**	40.4	**+73%**	**+86%**	110.2
Nordic	**25.3**	22.3	**+13%**	**+11%**	41.6
Rest of Europe	**46.8**	41.6	**+13%**	**+15%**	79.8
Rest of the World	**17.6**	12.8	**+38%**	**+38%**	29.7
Total	**159.6**	117.1	**+36%**	**+41%**	261.3

Financial Results and Profitability

Comparable (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) operating profit increased by 22.3 MEUR from the comparison period. The change in translation exchange rates did not have a material impact on operating profit. Reported operating profit increased by 27.2 MEUR from the previous year and the items affecting comparability had a minor negative impact of -0.2 MEUR (-5.0) on reported operating profit.

Comparable operating profit margin was 16.6% (3.6) for the first half. The increased profitability compared to the first half of 2020 was driven by the strong sales, more favorable product mix and good cost control. Furthermore, good winter conditions had a positive impact on sales and profitability. Other key drivers behind the strong profitability included Group's supply chain ability to react fast to the rapid shift in demand and continuous actions to implement the ONE RAPALA VMC strategy.

Reported operating profit margin was 16.5% (-0.7) for the first half. Reported operating profit included impact of mark-to-market valuation of operative currency derivatives of -0.2 MEUR (-0.1). Net expenses of other items affecting comparability included in the reported operating profit were 0.0 MEUR (4.9).

Total financial (net) expenses were 1.4 MEUR (1.9) for the first half of the year. Net interest and other financing expenses were 1.3 MEUR (1.6) and (net) foreign exchange expenses were 0.1 MEUR (0.3).

Net profit for the first half increased by 21.8 MEUR and was 18.1 MEUR (-3.8) and earnings per share were 0.43 EUR (-0.12). The share of non-controlling interest in net profit was 1.1 MEUR (0.4).

Key figures

MEUR	**H1 2021**	H1 2020	**Change %**	FY 2020
Net sales	**159.6**	117.1	**+36%**	261.3
Operating profit	**26.3**	-0.8		10.7
Comparable operating profit *	**26.5**	4.2	**+531%**	21.5
Net profit	**18.1**	-3.8		3.4

* Excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability. Other items affecting comparability include material restructuring costs, impairments, gains and losses on business combinations and disposals, insurance compensations and other non-operational items.

Bridge calculation of comparable operating profit

MEUR	**H1 2021**	H1 2020	Change %	FY 2020
Operating profit	**26.3**	-0.8		**10.7**
Mark-to-market valuations of operative currency derivatives	0.2	0.1		0.1
Other items affecting comparability	0.0	4.9		10.7
Comparable operating profit	26.5	4.2	+531%	21.5

More detailed bridge of comparable operating profit and definitions and reconciliation of key figures are presented in the financial section of the release.

Segment Review

Group Products

With comparable translation exchange rates, Group Products sales increased by 45.1 MEUR from the comparison period. Good winter conditions and fishing popularity as an outdoor and COVID-19 safe activity drove the demand of the Group Products. Geographically sales grew strongly in all the key markets and product-wise all Group product categories witnessed high growth. Followed by the considerably higher sales, also the comparable operating profit for the Group Products was significantly above the comparison period.

Third Party Products

With comparable translation exchange rates, Third Party Products sales were 1.1 MEUR above the comparison period. Third Party Products sales development was twofold: sales grew in most of the Third Party products categories where distribution agreements remained intact, whereas sales decreased in the categories where distribution agreements changed, especially within rods and reels category. The comparable operating profit for Third Party Products was above the comparison period, which was heavily affected by the COVID-19.

Net sales by segment

MEUR	**H1 2021**	H1 2020	**Change %**	**Comparable change %**	FY 2020
Group Products	**120.5**	78.3	**+54%**	**+60%**	187.5
Third Party Products	**39.2**	38.8	**+1%**	**+3%**	73.8
Total	**159.6**	117.1	**+36%**	**+41%**	261.3

Comparable operating profit by segment

MEUR	**H1 2021**	H1 2020	**Change %**	FY 2020
Group Products	**22.1**	4.3		23.4
Third Party Products	**4.5**	-0.1		-1.9
Comparable operating profit	**26.5**	4.2	**+531%**	21.5
Items affecting comparability	**-0.2**	-5.0	**-96%**	-10.8
Operating profit / loss	**26.3**	-0.8		10.7

Financial Position

As a result of strong profitability and good working capital management, cash flow from operations increased by 9.7 MEUR from the comparison period being 23.1 MEUR (13.4). The impact of net change of working capital to cash flow from operations decreased 4.3 MEUR from previous year and was 1.6 MEUR (5.9).

End of June 2021 inventory was 73.8 MEUR (83.5). The improvement of the inventory value resulted from tight inventory control and high market demand.

Net cash used in investing activities increased from the level of the comparison period amounting 6.3 MEUR (1.6). Capital expenditure was 7.2 MEUR (2.0) and disposals 0.8 MEUR (0.4). Increased capital expenditure was mostly driven by the earlier announced Okuma related acquisition.

Liquidity position of the Group was good. Undrawn committed long-term credit facilities amounted to 59.9 MEUR at the end of the period. Gearing ratio continued to decrease and equity-to-assets ratio strengthened from last year. The Group is currently compliant with all financial covenants and expects to comply with all requirements set in the financing agreements also in the future. Group’s cash position remains strong, and cash and cash equivalents amount 39.3 MEUR at June 30, 2021.

The Group equity includes a hybrid bond of 25.0 MEUR issued in November 2019. The accrued non-recognized interest on hybrid bond on June 30, 2021 was 0.5 MEUR (0.5).

The Group announced March 25, 2021 that the Board of Directors of Rapala VMC Corporation has decided to start buying back a maximum of 100 000, with a maximum of 700 000 EUR, of Rapala VMC Corporations own shares in accordance with the authorization granted by the Annual General Meeting March 25, 2021. The buyback of own shares started on April 1, 2021 and ended on May 10, 2021. During this period, Rapala VMC Corporation repurchased

86 043 shares for an average price of EUR 8.14 per share. Number of shares correspond to approximately 0.22% of the total number of the company's shares, which is 39 000 000 shares.

Key figures

MEUR	**H1 2021**	H1 2020	**Change %**	FY 2020
Cash flow from operations	**23.1**	13.4	**+72%**	42.5
Net interest-bearing debt at end of period	**30.5**	63.5	**-52%**	45.2
Gearing % [1)]	**18.6%**	43.7%		31.6%
Equity-to-assets ratio at end of period, %	**53.8%**	45.9%		52.5%

1) Definitions and reconciliation of key figures are presented in the financial section of the release.

Strategy Implementation

The strategic target of the Group is to become a solid global fishing tackle powerhouse. Current strategic actions and future capabilities aim to release all the growth potential within the company and to improve the Group's profitability. In the longer term, the goal is to become the world's largest fishing tackle company by harnessing a united company mindset; ONE RAPALA VMC culture.

The core of the Group's strategy is based on five key building blocks that are all interconnected and shared around the Group in all business units. Future strategies are built upon utilizing and capitalizing the brand portfolio, manufacturing and sourcing platform, research and development knowledge, as well as the broad sales network and strong local presence around the world. Focus and speed are in the center of the strategic decision-making process in order to enable focus and agile actions in the competitive landscape. The overall strategy execution is progressing ahead of initial schedule as several of the ONE RAPALA VMC action plan elements are proving out to be highly synergistic between each other.

Team/Culture – The first strategic building block is associated with the foundation that all business units and functions strive for togetherness as a one strong winning entity. This enables the entire Group culture to become more united, collaborative, dynamic and growth oriented. The Group has continued to restructure its critical business functions to become more dynamic and responsive in everyday operations. The new managerial changes have given a fresh cultural spark to the organization, which is now more competent than ever before to lead the Group forward.

Consumer – Focus on end-users is a critical part of the strategy. The aim is to lead the market and bring newest trends to the fishing industry by offering innovative and exciting products. The centralized marketing function is well connected with the continuously growing and digitally aware consumer base. To give even more focus to end-users, the Group is investing in a new e-commerce platform in order to be more directly connected to consumers.

Customer – Relationships with key customers and winning position in local markets are emphasized with deep customer and market know-how as well as continuously investing in all sales channels. Organizational and management changes continued in the first half of 2021 and investments in rods, reels and combos segment during the first half of 2021 will provide a deeper and more competitive product offering for key customers moving forward. Additionally, the Group will start to consolidate its brand portfolio to favor future winners.

Product development/Innovation – R&D and PD&I functions are becoming even stronger competitive advantages for the entire Group at the same time as fishermen around the world demand new innovations to catch more fish. In addition of continuously launching new products to provide the latest innovations for customers, the Group has started its largest SKU clean-up in the company history, which will have an effect gradually over the next 18 months.

Operations/Finance – The Group continues to invest in its operations to make a step-change in operational excellence, to improve working capital efficiency and profitability. The Group continues to optimize its distribution centers and production facilities to operate in a more flexible and efficient manner. The Group will invest in a new painting unit in Pärnu, Estonia to reduce lead times of lure production and scale up capacity to secure high fulfillment rates for the future.

Product Development

The Group PD&I department has executed a complete restructuring in last ten months. With new focused leadership at the executive level, Rapala PD&I has been re-organized in an effort to more effectively address global customer and consumer needs. This new structure ensures strong regional product relevance with product directors, managers and engineers stationed in five main PD&I centers. A focused and more collaborative way of working has been implemented to ensure that long-term product planning needs are in place now and for the future. Deep integration with sales and marketing has also been a main priority in this change. This deeper level of integration ensures that customer and consumer needs are met while at the same time maximizing our marketing efforts globally.

From a new product perspective, a strong response in the North American markets is seen for the 2022 offering. When it comes to fishing lures, balsa is king and Rapala continues to reign. Prebooking indicators from major partners show strong interest in the “Tournament Grade” OG series lures (Ott’s Garage). This momentum will continue with ongoing product extensions in the category. The BX Mid-Brat along with the all new DT-8 will ensure continued excitement in the balsa crankbait market in 2022. An expanded Jig series under the VMC brand will bring excitement to the terminal tackle category along with the new Bladed Treble hooks, Quick Strike Trailer Hooks and Crossover Caps. A well-developed line of Rapala Rain wear is also gaining strong acceptance for fall, winter and spring fisheries of 2022 which we will begin to extend globally. Rapala Tools and Accessories continue to “weigh-in” heavily with the all new 100lb digital scale. In the APAC region introductions of expanded “Elite” series balsa baits will continue to drive strength in this category. Strong consumer acceptance of the Countdown “Elite” family in Japan has put focus on Rapala’s classic balsa bait program. The Solid Shad, a bait dedicated to trout fishing with outstanding details, had a successful introduction in both Europe and also APAC. The Solid Shad supports our strong brand values and is taking increased market share in the trout category. To keep the momentum rolling in Europe and APAC there have also been several exciting color extensions on existing lures to meet local needs. Rod and reel programs continue to expand with exciting new offerings and strong market acceptance of 13 Fishing Products around the world.

Sustainability

The Group launched in 2020 a new sustainability strategy with the aim to become one of the leading fishing tackle companies in terms of sustainability by 2024. A continuation of the company’s previous sustainability efforts, the new strategy entailed a set of ambitious environmental objectives to be implemented in all business units. With the newly launched strategy, the Group uses its platform as one of the biggest fishing tackle companies in the industry to lead by example and pave way for a more sustainable future for angling.

During the following years, the Group intends to launch programs and product families that place sustainability as the core aspect of their development. The Group has plans to introduce 100 % lead-free Rapala lures by 2023, further reduce the amount of plastic used in lure packaging, release new plastic-free packaging for multiple product categories and brands, and shift to renewable energy in all its lure production units. The carbon footprint of lure production has now been placed as one of the KPIs that is assessed on a regular basis and used in determining the company’s environmental impact.

Organization and Personnel

Average number of personnel was 1 827 (2 179) for the first half of the year. At the end of June, the number of personnel was 1 808 (2 051). The decrease of personnel was mostly related to the ramp down of Asian lure manufacturing operations.

Marcus Twidale was appointed as Executive Vice President and a member of the Executive Committee as of May 11, 2021 and head of the distribution in USA effective January 1, 2022.

Short-term Outlook and Risks

General market demand for fishing products has been on a very high level and is expected to gradually normalize. The ongoing negotiations with Shimano to end the joint ownership of distribution companies in Russia, Kazakhstan, Czech, Belarus, Hungary, Romania and Croatia might have impacts on the business performance for these countries.

The Group's supply chain, including own factories and subcontractors, is currently working robustly. However, uncertainties caused by the COVID-19 pandemic continue to impact and increase risks for the Group. The pandemic can impact the operating environment of the Group in various ways, including lockdowns, store closures, social distancing rules and overall change in consumer confidence. In addition, weather changes and disruptions or cost increases in freight costs may affect the results of the Group.

The guidance for 2021 was upgraded on April 20, 2021. The Group expects 2021 full year comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to increase significantly from the previous year. Solid order book and projected demand are expected to generate a good profitability for the second half of the year in 2021, although not as high as in previous year, which did not follow regular seasonality due to the pandemic.

The previous outlook for 2021 issued on February 9, 2021 was: "The Group expects 2021 full year comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to be in line or above the previous year."

Short term risks and uncertainties and seasonality of the business are described in more detail in the end of this report.

Other significant events

New Share-based Long-term Incentive Plans

On March 25, 2021 the Group announced that the Board of Directors of Rapala VMC Corporation has decided to establish two new share-based incentive plans. The aim of the plans is to align the objectives of the shareholders and the plan participants for increasing the value of the company in the long-term, to retain the participants at the company and to offer them competitive incentive schemes that are based on earning and accumulating shares.

Matching Share Plan 2021–2023 for the President and CEO
The President and CEO's Matching Share Plan 2021–2023 consists of one matching period, covering the financial years of 2021–2023. In the plan, the President and CEO (CEO) is given an opportunity to receive matching shares for his personal investment in Rapala VMC Corporation shares. The reward based on the plan will be paid after the end of the matching period.

The reward will be paid partly in Rapala VMC Corporation shares and partly in cash. The cash proportion of the reward is intended for covering taxes and tax-related expenses arising from the reward to the CEO. In general, no reward is paid if the CEO's director contract terminates before the reward payment.
The reward to be paid on the basis of the CEO plan correspond to the value of a maximum total of 28 800 Rapala VMC Corporation shares, including also the proportion to be paid in cash.

Performance Share Plan 2021—2023 for Key Employees
The key employees' Performance Share Plan 2021—2023 includes one three-year performance period, covering the financial years 2021—2023. The potential reward from the performance period will be based on the Group's financial performance criteria, which will be measured during the financial year 2023 and the Company's share price criterion

which will be measured during 2023. The financial performance criteria for the performance period are the Group Product Sales in 2023, the Group's Comparable Earnings before Interest and Taxes (comparable EBIT) in 2023 and the Group's Average Working Capital Ratio in 2023.
The rewards to be paid on the basis of the key employee plan correspond to the value of an approximate maximum total of 800 000 Rapala VMC Corporation shares including also the proportion to be paid in cash. The potential rewards from the performance period 2021—2023 will be paid partly in the Company's shares and partly in cash in 2024. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. In general, no reward will be paid, if a participant´s employment or service terminates before the reward payment.
The key employee's Performance Share Plan is directed to approximately 19 individuals, including the President and CEO and other members of the Executive Committee of the Group.

Okuma brand and associated property rights acquired from Okuma in Europe and Russia and supply agreement for the area concluded

On January 27, 2021 the Group announced that Rapala VMC Corporation ("Rapala VMC") and Okuma Fishing Tackle Co Ltd ("Okuma") have agreed that Okuma will transfer to Rapala VMC its European and Russian trademarks and associated intangible assets against a consideration of 8 million USD. Simultaneously Rapala VMC and Okuma have agreed to conclude a supply agreement to buy Okuma branded reels and rods from Okuma. Rapala will commence with the sales of Okuma products to some extent in selected European countries in 2021, but the large scale European wide and Russian launch of Okuma brand will occur in 2022. Through combination of Okuma's innovation and manufacturing capabilities with Rapala VMC's strong marketing, customer knowledge and distribution power a solid platform for future growth in Europe and Russia will be created. This combination has no effect on Okuma's operations or business outside Europe and Russia.

Okuma, known worldwide for its high-quality rods and reels, is a Taiwan based company established some 30 years ago by Mr. Charles Chang. The company has manufacturing facilities and R&D centers in Taiwan and China. Okuma has fully owned distribution companies in USA and Japan. Okuma has won Best in Category awards at many recent industry's ICAST and EFTTEX show's and is generally recognized as one of the top players in the global rod and reel business. Okuma's current sales in Europe and Russia through distributors at wholesale value in Europe and Russia exceeds slightly 10 million EUR.

Okuma's product range is very suitable for the European and Russian fishing styles and Okuma will become the flagship brand in Rapala VMC's current European rod & reel product portfolio. Together with the 13 Fishing brand and other Rapala VMC's Group brands this impressive product offering will be a winning platform in the region. Furthermore, Rapala VMC will make very strong marketing investments to support the Okuma brand in its growth journey.

It was also announced that Rapala VMC will initiate negotiations with Shimano Europe BV to end the distribution of Shimano branded products and joint ownership of Rapala VMC distribution companies situated in Russia, Kazakhstan, Czech, Belarus, Hungary, Romania and Croatia.

Annual General Meeting

The Annual General Meeting (AGM) was kept on March 25, 2021 and in order to prevent the spread of the COVID-19 pandemic, the AGM was held without shareholders' and their proxy representatives' presence at the venue of the meeting. The shareholders of the company participated in the meeting and exercised their shareholder's rights by voting in advance or through a proxy representative designated by the company. The AGM approved the Board of Director's proposal that no dividend is paid. A separate stock exchange release on the decisions of the AGM has been given, and up to date information on the Board's authorizations and other decisions of the AGM are available also on the corporate website.

Helsinki, July 15, 2021

Board of Directors of Rapala VMC Corporation

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A conference call on the first half year result will be arranged on Friday July 16, 2021 at 11:00 a.m. Finnish time (9:00 a.m UK time). Please dial +44 (0)330 336 9401 or +1 929 477 0630 or +358 (0)9 7479 0359 (pin code: 992177) five minutes before the beginning of the event. A replay facility will be available for 14 days following the teleconference. The number to dial is +44 (0)207 660 0134 (pin code: 1720829). Financial information and teleconference replay facility are available at www.rapalavmc.com.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

STATEMENT OF INCOME MEUR	H1 2021	H1 2020	FY 2020
Net sales	**159.6**	117.1	261.3
Other operating income	**0.3**	0.5	1.6
Materials and services	**68.4**	57.7	125.4
Employee benefit expenses	**35.9**	32.8	69.4
Other operating expenses	**24.5**	19.5	41.0
Share of results in associates and joint ventures	**0.2**	-0.8	-0.8
EBITDA	**31.3**	6.8	26.2
Depreciation, amortization and impairments	**5.0**	7.6	15.5
Operating profit/loss (EBIT)	**26.3**	-0.8	10.7
Financial income and expenses	**1.4**	1.9	4.2
Profit/loss before taxes	**24.9**	-2.7	6.6
Income taxes	**6.9**	1.1	3.2
Net profit/loss for the period	**18.1**	-3.8	3.4
Attributable to:			
Equity holders of the company	**17.0**	-4.2	2.5
Non-controlling interests	**1.1**	0.4	1.0
Earnings per share for profit attributable to the equity holders of the company:			
Earnings per share, EUR (diluted = non-diluted)	**0.43**	-0.12	0.04

STATEMENT OF COMPREHENSIVE INCOME MEUR	H1 2021	H1 2020	FY 2020
Net profit for the period	**18.1**	-3.8	3.4
Other comprehensive income, net of tax			
Change in translation differences*	**3.4**	-2.1	-10.7
Gains and losses on cash flow hedges*	**-**	0.0	-
Gains and losses on hedges of net investments*	**0.0**	-0.7	-1.1
Actuarial gains (losses) on defined benefit plan	**-**	0.0	0.1
Total other comprehensive income, net of tax	**3.4**	-2.7	-11.7
Total comprehensive income for the period	**21.5**	-6.5	-8.3
Total comprehensive income attributable to:			
Equity holders of the Company	**20.3**	-6.7	-8.8
Non-controlling interests	**1.2**	0.2	0.5

* Item that may be reclassified subsequently to the statement of income

STATEMENT OF FINANCIAL POSITION MEUR	**Jun 30 2021**	Jun 30 2020	Dec 31 2020
ASSETS			
Non-current assets			
Intangible assets	**79.0**	74.3	71.2
Property, plant and equipment	**23.6**	24.3	22.6
Right-of-use assets	**10.2**	11.9	10.4
Non-current assets			
Interest-bearing	**7.2**	7.8	7.2
Non-interest-bearing	**11.5**	8.5	11.7
	131.7	126.9	123.1
Current assets			
Inventories	**73.8**	83.5	68.8
Current assets			
Interest-bearing	**-**	-	-
Non-interest-bearing	**60.3**	56.2	53.0
Cash and cash equivalents	**39.3**	50.0	27.9
	173.5	189.7	149.8
Total assets	**305.1**	316.6	272.9
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the company	**132.4**	115.3	112.8
Non-controlling interests	**6.4**	4.9	5.2
Hybrid bond	**25.0**	25.0	25.0
	163.9	145.2	143.0
Non-current liabilities			
Interest-bearing	**50.7**	46.0	52.7
Non-interest-bearing	**10.2**	9.7	8.7
Right-of-use liabilities	**7.2**	7.6	8.0
	68.1	63.2	69.4
Current liabilities			
Interest-bearing	**15.3**	63.2	15.1
Non-interest-bearing	**53.9**	40.4	41.0
Right-of-use liabilities	**3.9**	4.6	4.5
	73.2	108.2	60.5
Total equity and liabilities	**305.1**	316.6	272.9

STATEMENT OF CASH FLOWS MEUR	**H1 2021**	H1 2020	FY 2020
Net profit for the period	**18.1**	-3.8	3.4
Adjustments to net profit for the period *	**7.6**	13.8	26.2
Financial items and taxes paid and received	**-4.1**	-2.5	-7.6
Change in working capital	**1.6**	5.9	20.4
Net cash generated from operating activities	**23.1**	13.4	42.5
Investments	**-7.2**	-2.0	-5.0
Proceeds from sales of assets	**0.8**	0.4	1.2
Change in interest-bearing receivables	**0.2**	-	0.0
Net cash used in investing activities	**-6.3**	-1.6	-3.8
Net funding	**-4.6**	29.3	-13.2
Change in right-of-use liabilities	**-3.4**	-2.9	-5.5
Hybrid bond	**-**	-	-1.3
Purchase of own shares	**-0.7**	-	-
Net cash generated from financing activities	**-8.7**	26.5	-20.0
Change in cash and cash equivalents	**8.1**	38.2	18.8
Cash & cash equivalents at the beginning of the period	**27.9**	12.3	12.3
Foreign exchange rate effect	**3.2**	-0.5	-3.1
Cash and cash equivalents at the end of the period	**39.3**	50.0	27.9

* Includes reversal of non-cash items, income taxes and financial income and expenses.

Changes in liabilities included in net funding

MEUR	
Liabilities Jan 1, 2021	**67.8**
Drawdowns	40.5
Repayments	-42.3
Unrealized foreign exchange differences*	0.0
Liabilities Jun 30, 2021	**66.0**

Net funding

Drawdowns and repayments from loans	-1.8
Derivatives and other realized foreign exchange on financial activities	-2.8
Net funding	**-4.6**

*Unrealized foreign exchange differences from loans are not included in cash flow statement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the company									
MEUR	Share capital	Share premium fund	Hedging fund	Fund for invested non-restricted equity	Own shares	Translation differences	Retained earnings	Non-controlling interests	Hybrid bond	**Total equity**
Equity on Jan 1, 2020	**3.6**	**16.7**	**0.0**	**4.9**	**-4.9**	**-7.5**	**109.2**	**4.6**	**25.0**	**151.6**
Comprehensive income *	-	-	-	-	-	-2.5	-4.2	0.2	-	**-6.5**
Share option program	-	-	-	-	-	-	0.1	0.0	-	**0.1**
Equity on Jun 30, 2020	**3.6**	**16.7**	**0.0**	**4.9**	**-4.9**	**-10.0**	**105.1**	**4.9**	**25.0**	**145.2**
Equity on Jan 1, 2021	**3.6**	**16.7**	**0.0**	**4.9**	**-4.9**	**-18.9**	**111.4**	**5.2**	**25.0**	**143.0**
Comprehensive income*	-	-	-	-	-	3.3	17.0	1.2	-	**21.5**
Purchase of own shares	-	-	-	-	-0.7	-	-	-	-	**-0.7**
Share option program	-	-	-	-	-	-	0.1	0.0	-	**0.1**
Other changes	-	-	-	-	-	-	0.0	0.0	-	**-**
Equity on Jun 30, 2021	**3.6**	**16.7**	**0.0**	**4.9**	**-5.6**	**-15.6**	**128.5**	**6.4**	**25.0**	**163.9**

* For the period, (net of tax)

NOTES TO THE INCOME STATEMENT AND FINANCIAL POSITION

The financial information included in this financial statement release is unaudited. This financial statement release has been prepared in accordance with IAS 34 (Interim Financial Reporting).

Apart from the changes in accounting principles stated below, the accounting principles adopted in the preparation of this report are consistent with those used in the preparation of the financial statements 2020.

As required by IAS 34, the nature and effect of these changes on the accounting policies followed by the Group are disclosed below.

Accounting treatment of government grants (IAS 20) due to COVID-19

As a response to the start of COVID-19 pandemic, governments around the world implemented support measures to help businesses and economies. Government assistance did come in many forms and therefore Rapala VMC Corporation specified its accounting policy concerning grants received in 2020.

The Group recognizes a government grant or subsidy when there is reasonable assurance that it will comply with all conditions attached and the grant will be received. Government grants are recognised in statement of income over the periods in which Group recognizes the expenses which the grants are intended to compensate. However, the accounting treatment for grants depends on nature and type of the grant.

Due to the COVID-19 situation, in 2020 Rapala VMC Corporation received 1.3 MEUR of governmental subsidies related to salaries and other personnel expenses and general business subsidies amounted to 0.2 MEUR. In 2020 the Group was granted government-backed loans which amount to 12.2 MEUR and for which the terms differ from market-based terms and in 2020 additionally, rent reliefs of 0.1 MEUR were received. In 2020 the Group performed impairment assessment due to COVID-19 situation and there was no indication that assets may be impaired.

In the first half of 2021 no new government grants have been received.

Use of estimates and rounding of figures

Complying with IFRS in preparing financial statements requires the management to make estimates and assumptions. Such estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the amounts of revenues and expenses. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from these estimates.

All figures in these accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

Events after the end of the half year period

The Group has no knowledge of any significant events after the end of the reporting period that would have a material impact on the financial statements for January-June 2021. Material events after the end of the half year period, if any, have been discussed in the commentary section of the Board of Directors.

Acquisitions

There have not been any acquisitions or divestments during the first half of the year.

Key figures	**H1 2021**	H1 2020	FY 2020
EBITDA, % of net sales	**19.6%**	5.8%	10.0%
Operating profit, % of net sales	**16.5%**	-0.7%	4.1%
Return on capital employed, %	**27.5%**	-0.8%	5.2%
Capital employed at end of period, MEUR	**194.4**	208.7	188.2
Net interest-bearing debt at end of period, MEUR	**30.5**	63.5	45.2
Equity-to-assets ratio at end of period, %	**53.8%**	45.9%	52.5%
Debt-to-equity ratio at end of period, %	**18.6%**	43.7%	31.6%
Earnings per share, EUR (diluted = non-diluted)	**0.43**	-0.12	0.04
Equity per share at end of period, EUR	**3.43**	2.99	2.93
Average personnel for the period	**1 827**	2 179	2 105

Definitions and reconciliation of key figures are presented in the end of the financial section.

Key figures by half year MEUR	H1 2019	H2 2019	H1 2020	H2 2020	**H1** **2021**
Net sales	141.2	134.2	117.1	144.2	**159.6**
EBITDA	17.7	8.3	6.8	19.4	**31.3**
Operating profit	11.4	2.0	-0.8	11.6	**26.3**
Profit before taxes	10.1	-0.3	-2.7	9.3	**24.9**
Net profit for the period	7.4	-3.4	-3.8	7.2	**18.1**

Bridge calculation of comparable operating profit MEUR	**H1 2021**	H1 2020	Change %	FY 2020
Operating profit/loss	**26.3**	**-0.8**		**10.7**
Items affecting comparability				
Mark-to-market valuations of operative currency derivatives	**0.2**	0.1	+100%	0.1
Other items affecting comparability				
Restructurings				
Management restructuring	**-**	0.3		0.6
Indonesia manufacturing restructuring	**-**	4.0		4.2
European restructuring	**-0.3**	0.6		4.6
Other restructurings	**0.2**	-		1.2
Comparable operating profit	**26.5**	**4.2**	+531%	**21.5**

Segment information

MEUR **Net sales by operating segment**	**H1 2021**	H1 2020	FY 2020
Group Products	**120.5**	78.3	187.5
Third Party Products	**39.2**	38.8	73.8
Total	**159.6**	117.1	261.3

Operating profit by operating segment			
Group Products	**22.1**	4.3	23.4
Third Party Products	**4.5**	-0.1	-1.9
Comparable operating profit	**26.5**	4.2	21.5
Items affecting comparability	**-0.2**	-5.0	-10.8
Operating Profit	**26.3**	-0.8	10.7

Assets by operating segment MEUR	**Jun 30 2021**	Jun 30 2020	Dec 31 2020
Group Products [1)]	**221.2**	218.1	212.7
Third Party Products [2)]	**37.3**	40.6	25.1
Non-interest-bearing assets total	**258.6**	258.7	237.8
Unallocated interest-bearing assets	**46.6**	57.9	35.1
Total assets	**305.1**	316.6	272.9

[1)] Includes IFRS 16 right-of-use assets 9.1 MEUR (8.8) . [2)] Includes IFRS right-of-use assets 1.1 MEUR (3.2).

External net sales by area MEUR	**H1 2021**	H1 2020	FY 2020
North America	**69.9**	40.4	110.2
Nordic	**25.3**	22.3	41.6
Rest of Europe	**46.8**	41.6	79.8
Rest of the world	**17.8**	12.8	29.7
Total	**159.6**	117.1	261.3

Commitments MEUR	**Jun 30 2021**	Jun 30 2020	Dec 31 2020
Minimum future lease payments other than IFRS 16 leases	**0.3**	0.4	0.4

The accrued non-recognized interest on hybrid bond at June 30, 2021 is EUR 0.5 million (0.5).

Related party transactions MEUR	Sales and other income	Pur-chases	Rents paid	Other expen-ses	Recei-vables	Paya-bles
H1 2021						
Associated company DQC International Corp.	**5.2**	**0.9**	**-**	**-**	**6.7**	**-**
Associated company Lanimo Oü	**0.0**	**0.1**	**-**	**0.0**	**-**	**0.0**
Entity with significant influence over the Group*	**-**	**-**	**0.1**	**0.0**	**0.0**	**-**
Management	**0.0**	**-**	**0.1**	**0.0**	**0.6**	**-**
H1 2020						
Associated company DQC International Corp.	2.8	0.2	-	-	7.1	-
Associated company Lanimo Oü	-	0.1	-	-	-	-
Entity with significant influence over the Group*	-	-	0.1	0.1	0.0	-
Management	0.0	-	0.1	0.0	0.7	0.1
FY 2020						
Associated company DQC International Corp.	7.3	0.5	-	0.0	6.5	-
Associated company Lanimo Oü	0.0	0.1	-	-	0.1	-
Entity with significant influence over the Group*	-	-	0.2	0.0	0.0	-
Management	0.0	-	0.3	0.0	0.6	0.0

* Lease agreement for the real estate for the consolidated operations in France and a service fee.

Intangible assets **2021** MEUR	Goodwill	Trademarks	Customer relations	Other intangible assets	Total
Acquisition cost Jan 1	47.0	23.8	3.8	8.8	83.4
Additions		6.6		0.2	6.8
Disposals	-0.3			-0.3	-0.6
Translation differences	0.8	0.6	0.1	0.1	1.6
Acquisition cost Jun 31	47.5	31.1	3.9	8.8	91.3
Accumulated amortization Jan 1		-0.9	-3.5	-7.9	-12.2
Disposals				0.3	0.3
Amortization during the period			0.0	-0.2	-0.3
Translation differences		0.0	-0.1	0.0	-0.2
Accumulated amortization Jun 31		-0.9	-3.6	-7.8	-12.3
Carrying value Jan 1	47.0	23.0	0.3	1.0	71.2
Carrying value Jun 31	47.5	30.2	0.3	1.0	79.0

Tangible assets 2021 MEUR	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan 1	1.9	25.7	61.2	20.5	1.3	110.6
Additions		0.2	0.6	0.6	2.2	3.7
Disposals		-0.7	-2.9	-4.7		-8.3
Reclassifications		0.4	0.1	0.1	-0.6	0.0
Translation differences	0.0	0.3	0.3	0.3	-0.1	0.9
Acquisition cost Jun 31	1.9	26.0	59.3	16.8	2.8	106.9
Accumulated depreciation Jan 1		-18.4	-51.7	-17.9		-88.0
Disposals		0.4	2.6	4.6		7.6
Reclassifications		0.0	0.1	-0.1		0.0
Depreciation during the period		-0.4	-1.3	-0.6		-2.3
Translation differences		-0.2	-0.2	-0.3		-0.6
Accumulated depreciation Jun 31		-18.6	-50.5	-14.2		-83.2
Carrying value Jan 1	1.9	7.3	9.5	2.6	1.3	22.6
Carrying value Jun 31	1.9	7.4	8.8	2.7	2.8	23.6

Open derivatives		**H1 2021**		H1 2020		FY 2020
MEUR	**Nominal Value**	**Fair Value**	Nominal Value	Fair Value	Nominal Value	Fair Value
Non-hedge accounting derivative financial instruments						
Interest rate swaps, less than 12 months	**16.0**	**0.0**	-	-	16.0	-0.1
Interest rate swaps, 1 to 5 years	**25.0**	**-0.1**	21.0	-0.1	5.0	-0.1
Currency derivatives, less than 12 months	**27.4**	**-0.4**	40.7	-0.5	26.9	-0.2
Total	**68.4**	**-0.5**	61.7	-0.6	47.9	-0.3

The changes in the fair values of derivatives that are designated as hedging instruments but do not qualify for hedge accounting are recognized based on their nature either in operative costs, if the hedged item is an operative transaction, or in financial income and expenses if the hedged item is a monetary transaction.

Changes in unrealized mark-to-market valuations for operative foreign currency derivatives

	H1 2021	H1 2020	FY 2020
Included in operating profit	**-0.2**	-0.1	-0.1

Operative foreign currency derivatives that are marked-to-market on reporting date cause timing differences between the changes in derivatives' fair values and hedged operative transactions. Changes in fair values for derivatives designated to hedge future cash flow but are not accounted for according to the principles of hedge accounting, impact the Group’s operating profit for the accounting period. The changes in unrealized valuations include both valuations of derivatives that will realize in the future periods as well as reversal of previously accumulated value of derivatives that realized in the accounting period.

Fair values of financial instruments	**Jun 30 2021**		Jun 30 2020		Dec 31 2020	
MEUR	**Carrying value**	**Fair value**	Carrying value	Fair value	Carrying value	Fair value
Assets						
Other shares	**0.2**	**0.2**	0.2	0.2	0.2	0.2
Derivatives (level 2)	**0.1**	**0.1**	0.2	0.2	0.2	0.2
Total	**0.3**	**0.3**	0.5	0.5	0.4	0.4
Liabilities						
Non-current interest-bearing liabilities (excl. derivatives)	**50.7**	**50.6**	46.0	46.0	52.7	52.7
Derivatives (level 2)	**0.6**	**0.6**	0.8	0.8	0.5	0.5
Total	**51.3**	**51.2**	46.8	46.8	53.2	53.2

Fair values of other financial instruments do not differ materially from their carrying value.

Shares and share capital

The Annual General Meeting (AGM) kept on March 25, 2021 approved the Board of Director’s proposal that no dividend is paid. A separate stock exchange release on the decisions of the AGM has been given, and up to date information on the Board’s authorizations and other decisions of the AGM are available also on the corporate website.

Share related key figures	**Jun 30 2021**	Jun 30 2020
Number of shares	**39 000 000**	39 000 000
Number of shares, average	**39 000 000**	39 000 000
Number of treasury shares	**365 236**	452 208
Number of treasury shares, %	**0.9%**	1.2%
Number of outstanding shares	**38 634 764**	38 547 792
Number of shares traded, YTD	**3 027 501**	2 661 417
Share price, EUR	**8.32**	2.61
Highest share price, YTD, EUR	**9.80**	3.43
Lowest share price, YTD, EUR	**4.36**	2.15
Average price of treasury shares, all time, EUR	**5.76**	4.95

Short term risks and uncertainties

The objective of Rapala VMC Group's risk management is to support implementation of the Group's strategy and execution of business targets. Group management continuously develops its risk management practices and internal controls. Detailed descriptions of the Group's strategic, operative and financial risks as well as risk management principles are included in the Financial Statements 2020.

Due to the nature and seasonality of the fishing tackle business, weathers impact consumer demand and may have impact on the Group's sales for current and following seasons. However, the weather risk is diversified as the Group has a wide geographical footprint and sells products both for summer and winter seasons.

The biggest deliveries for peak seasons are concentrated into relatively short time periods, and hence a well-functioning supply chain is required. The uncertainties in future demand as well as the length of the Group's supply chain increases complexity in supply chain management. Delays in shipments from internal or external suppliers or unexpected changes in customer demand may lead to shortages and lost sales or excess inventories and subsequent clearance sales with lower margins.

The Group's credit facilities include some profitability, net debt and equity related financial covenants, which are actively monitored. The Group expects to continue to fulfill the requirements of its lenders. Liquidity and refinancing risks are well under control.

Increased uncertainties and downturns in the general economic climate may influence the sales of fishing tackle when retailers reduce their inventory levels and face financial challenges. Also, quick and strong increases in living expenses or sudden fluctuations in foreign exchange rates may temporarily affect consumer spending. However, the underlying consumer demand has historically proven to be fairly solid. Political tensions may have negative effects on the Group's business and geopolitical development is followed closely.

The global nature of the Group's sales and operations diversifies market risks. The Group is cautiously monitoring the development both in global macro economy as well as in the various local markets it operates in. While Group's customer base is generally diversified, changes in retail landscape may have impact on purchase behavior of customers. New distribution agreements, termination of old agreements or changes in product offering made by the principal may affect sales and profitability of Third Party Products. Cash collection and credit risk management is high on the agenda of local management and this may affect sales to some customers. Quality of the accounts receivables is monitored closely.

The COVID-19 pandemic has increased risks for the Group. The direct and indirect impacts of the pandemic or its counter measures may affect the Group's ability to operate and run its manufacturing sites or distribution centers. Furthermore, potential governmental lockdown measures may also impact the Group's clientele. The Group has introduced several safety measures in its operations to protect health and safety of its employees as well as to protect continuation of its operations.

The Group's sales and profitability are impacted by the changes in foreign exchange rates and the risks are monitored actively. To fix the exchange rates of future foreign exchange denominated sales and purchases as well as financial assets and liabilities, the Group has entered into several currency hedging agreements according to the foreign exchange risk management policy set by the Board of Directors. As the Group is not applying hedge accounting in accordance to IFRS 9, the unrealized mark-to-market valuations of operative currency hedging agreements have an impact on the Group's reported operating profit. Some of Group's currency positions are not possible or feasible to be hedged, and therefore may have impact on the Group's net result. The Group is closely monitoring market development as well as its cost structure and considering possibility and feasibility of price increases, hedging and cost rationalization.

No significant changes are identified in the Group's strategic risks or business environment with the exception of increased risks related to the COVID-19 pandemic.

Definitions of key figures

Operating profit before depreciation and impairments (EBITDA)	Operating profit + depreciation and impairments
Items affecting comparability	Change in mark-to-market valuations of operative currency derivatives +/- other items affecting comparability
Other items affecting comparability	Restructuring costs + impairments +/- gains and losses on business combinations and disposals - insurance compensations +/- other non-operational items
Comparable operating profit	Operating profit +/- change in mark-to-market valuations of operative currency derivatives +/- other items affecting comparability
Net interest-bearing debt	Total interest-bearing liabilities - total interest-bearing assets - cash and cash equivalents
Capital employed (average for the period)	Total equity (average for the period) + net interest-bearing debt (average for the period)
Working capital	Inventories + total non-interest-bearing assets - total non-interest-bearing liabilities
Total non-interest-bearing assets	Total assets - interest-bearing assets - intangible and tangible assets - assets classified as held-for-sale
Total non-interest-bearing liabilities	Total liabilities - interest-bearing liabilities
Return on capital employed (ROCE), %	$\frac{\text{Operating profit (full-year adjusted) x 100}}{\text{Capital employed (average for the period)}}$
Debt-to-equity ratio (Gearing), %	$\frac{\text{Net interest-bearing debt x 100}}{\text{Total equity}}$
Equity-to-assets ratio, %	$\frac{\text{Total equity x 100}}{\text{Total equity and liabilities - advances received}}$
Earnings per share, EUR	$\frac{\text{Net profit for the period attributable to the equity holders of the parent company - hybrid capital accrued unrecognised interest after tax}}{\text{Adjusted weighted average number of shares}}$
Equity per share, EUR	$\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Adjusted number of shares at the end of the period}}$
Average number of personnel	Calculated as average of month end personnel amounts

Reconciliation of key figures to IFRS MEUR	**H1 2021**	H1 2020	FY 2020
Items affecting comparability			
Change in mark-to-market valuations of operative derivatives	**0.2**	0.1	0.1
Other items affecting comparability	**0.0**	4.9	10.7
Items affecting comparability	**0.2**	**5.0**	**10.8**
Other items affecting comparability			
Restructuring costs	0.0	4.9	10.7
Other items affecting comparability	**0.0**	**4.9**	**10.7**
Capital employed (average for the period)			
Total equity (average for the period)	**153.4**	148.4	147.3
Net interest-bearing debt (average for the period)	**37.9**	69.0	59.9
Capital employed (average for the period)	**191.3**	**217.4**	**207.2**
Return on capital employed (ROCE), %			
Operating profit (full-year adjusted)	**52.7**	-1.7	10.7
Capital employed (average for the period)	**191.3**	217.4	207.2
Return on capital employed (ROCE), %	**27.5%**	**-0.8%**	**5.2%**
Equity-to-assets ratio, %			
Total equity	**163.9**	145.2	143.0
Total equity and liabilities	**305.1**	316.6	272.9
Advances received	**0.3**	0.4	0.5
Equity-to-assets ratio, %	**53.8%**	**45.9%**	**52.5%**
Earnings per share, EUR			
Net profit for the period attributable to the equity holders of the parent company	**17.0**	-4.2	2.5
Hybrid capital accrued unrecognised interests after tax	**0.5**	0.5	1.1
Adjusted weighted average number of shares	**38 609 658**	38 547 792	38 547 792
Earnings per share, EUR	**0.43**	**-0.12**	**0.04**
Equity per share, EUR			
Equity attributable to equity holders of the parent company	**132.4**	115.3	112.8
Adjusted number of shares at the end of the period	**38 634 764**	38 547 792	38 547 792
Equity per share, EUR	**3.43**	**2.99**	**2.93**