

# INTERIM REPORT

January 1–March 31, 2024

## RAUTE CORPORATION — INTERIM REPORT JANUARY 1–MARCH 31, 2024

### Good progress in project deliveries in challenging market environment

#### January–March 2024

- Order intake was EUR 36 million (67)
- Order book was EUR 259 million (121) at the end of the reporting period
- Net sales were EUR 44.7 million (36.8)
- Comparable EBITDA was EUR 3.0 million (2.8), representing 6.7% (7.7) of net sales
- Operating profit was EUR 1.5 million (0.9)
- Earnings per share were EUR 0.20 (0.10)
- Equity ratio was 49.7% (41.4)

#### CEO'S REVIEW: Solid start for the year in Wood Processing and Services business units

We had a good start to the year with solid progress in project deliveries supported by our all-time high order book. However, the market environment remained uncertain as many of our customers were in a wait-and-see mode in relation to making firm investment decisions.

In the first quarter, comparable EBITDA developed in line with our expectations and was EUR 3.0 million, representing a margin of 6.7%. The result indicates improved efficiency of the underlying operations while considering that the comparison figure was positively impacted by the release of provisions related to the wind-down of the Russian operations.

I am particularly pleased with the performance of the Services business unit, where we have also developed a concept for performance-based maintenance offering. In the first quarter, we announced an agreement with Paged Group of Estonia. It is an excellent example of this concept, where we take full maintenance responsibility for the customer's production machinery, including spare parts, small upgrades, and process improvement work, to support the customer in ensuring optimized production.

The Wood Processing business also improved its performance by making good progress in the project deliveries of the mill-sized orders won last year. Meanwhile, Analyzers had a disappointing quarter due to the timing and delays of some deliveries. On the Group level, our costs were at a more normalized level after being elevated in the last quarter of 2023.

The political strikes in Finland had an impact on the operations of our main production site in Lahti. With good preparations we were able to mitigate the impacts of the strikes for the most part. However, there still was some negative impact on net sales and profitability.

Order intake in the first quarter was rather modest, excluding the mill-sized order received from Latvia's AmberBirch, and mainly consisted of service and modernization projects. Nevertheless, we can be very happy to have received yet another complete mill-sized order. This continues to demonstrate our strong offering and the continuous customer interest in these solutions over the business cycle, driven by sustainability needs.

Given our nearly record-high order book, we are in a good position to continue implementing Raute's growth strategy. We believe that Raute has a unique opportunity to capture new business opportunities in engineered wood product segments by combining our offering into innovative production solutions, powered by data and digital tools. In line with our newly announced values, we aim to Show the Way – Drive Change for positive development in our industry together with our customers. We will do this together as one team with our dedicated and skilled personnel.

Mika Saariaho  
President & CEO

#### GUIDANCE STATEMENT FOR 2024

Raute reiterates its guidance statement for 2024. Raute's 2024 net sales are expected to be between EUR 170–195 million and comparable EBITDA between EUR 10–14 million.

#### JANUARY–MARCH 2024

##### Business environment

The market uncertainty continued in January–March 2024. Although some weak signals of a slowly improving market sentiment might be seen, especially the demand for both hardwood and softwood plywood was at a modest level and pricing under pressure. The demand for LVL has remained for more stable. This was reflected in the demand for Raute's customers' products.

While inflation has stabilized, the high interest rates and the overall economic uncertainty have slowed down the demand for the traditional end-product consuming industries such as construction and commercial vehicle production. Also, illegal Russian birch plywood with clearly lower prices entering the European market despite the sanctions affects the European birch plywood producers.

The impact of the lower end-product demand is clearly visible in Raute's customers' investment activity, which is mainly focusing on keeping the existing production facilities running. While this supports Raute's after-sales business, it clearly has a negative impact on the demand for new production lines and modernizations.

The highlight of the first quarter for Raute was the EUR 20 million order for a greenfield veneer mill machinery from AmberBirch in Latvia. This is again a good example of a long-term Raute customer investing in increasing their production capacity over the economic cycles.



## FINANCIAL PERFORMANCE

### Order intake and order book

The total order intake was EUR 36 million (67) and included an order worth EUR 20 million from AmberBirch of Latvia for the technology delivery of a birch veneer production plant expansion.

The order book decreased slightly by EUR 7 million from the previous quarter and was close to a record-high level at EUR 259 million (121) at the end of the period.

Order intake is composed of 77% (16%) from Europe, 11% (4%) from North America, 5% (2%) from Asia–Pacific and 7% (78%) from South America. Strong fluctuation in the distribution of new orders between the various markets and quarters is typical for a project-focused business. Services had a relatively strong order intake during the quarter.

### Net sales

Net sales amounted to EUR 44.7 million (36.8), showing an increase of 21.4% from the comparison period. This was driven by the good progress in project deliveries in the Wood Processing business unit and higher demand in the Services business unit. The political strikes had some negative impact on net sales.

Sales increased by 30.8% in Wood Processing and 19.0% in Services, while decreasing by 29.7% in Analyzers.

Europe accounted for 39% (48) of net sales, North America for 25% (27), South America for 32% (4), Asia–Pacific for 3% (7) and Russia for 1% (15). Russia's share of sales is based on the adjustments from renegotiations with customers and the limits set by the sanctions.

### Result and profitability

Comparable EBITDA was EUR 3.0 million (2.8) and comparable EBITDA margin was 6.7% (7.7%). The result indicates improved efficiency of the underlying operations while considering that the comparison figure was positively impacted by the release of provisions related to the wind-down of the Russian operations. The political strikes had some negative impact on profitability.

Comparable EBITDA improved in Wood Processing and Services, but declined in Analyzers.

EBITDA was EUR 2.9 million (2.0). Items affecting comparability (IACs) in EBITDA totaled EUR -0.1 million (-0.8).

The operating profit was EUR 1.5 million (0.9).

The result before taxes was EUR 1.6 million (0.8). The result for the reporting period was EUR 1.3 million (0.4) and earnings per share were EUR 0.20 (0.10).

## BUSINESS UNIT REVIEWS

### Wood Processing

EUR million	Q1/2024	Q1/2023	Change %	2023
Net sales	32.0	24.4	30.8	92.4
Comparable EBITDA	1.2	1.1	11.4	-0.5
Comparable EBITDA, %	3.8	4.5		-0.5

### Q1/2024 compared with Q1/2023

Net sales increased by 30.8% to EUR 32.0 million (24.4). The increase was driven by the good progress in the deliveries of the mill-sized projects announced in 2023.

Comparable EBITDA amounted to EUR 1.2 million (1.1). The result indicates improved efficiency of the underlying operations while taking into account that the comparison figure was positively impacted by the release of provisions related to the wind-down of the Russian operations. The political strikes in Finland had some negative impact on sales and profitability.

### Services

EUR million	Q1/2024	Q1/2023	Change %	2023
Net sales	9.8	8.3	19.0	33.0
Comparable EBITDA	1.9	1.0	80.5	4.9
Comparable EBITDA %	19.2	12.6		14.7

### Q1/2024 compared with Q1/2023

Net sales increased by 19.0% to EUR 9.8 million (8.3). The demand for Raute's services was at a good level, although the overall market sentiment remained mixed.

Comparable EBITDA was EUR 1.9 million (1.0). Profitability was positively impacted by the increased sales.

### Analyzers

EUR million	Q1/2024	Q1/2023	Change %	2023
Net sales	2.9	4.1	-29.7	20.0
Comparable EBITDA	-0.1	0.7	-	4.9
Comparable EBITDA %	-3.4	17.0		23.4

### Q1/2024 compared with Q1/2023

Net sales decreased by 29.7% to EUR 2.9 million (4.1). The decline in sales was partly due to the timing of revenue recognition as well as some delays in certain project deliveries.

Comparable EBITDA was EUR -0.1 million (0.7). The decrease in profitability was due to lower sales.

## CASH FLOW AND FINANCING

Operating cash flow in January–March 2024 was EUR -6.8 (8.6) million. Cash flow was negatively impacted by a change in net working capital, while the comparison period was positively impacted by a change in networking capital. Cash flow from investment activities totaled EUR -0.4 (-1.1) million, and cash flow from financing activities was EUR -0.4 (-7.1) million. Cash and cash equivalents amounted to EUR 40.5 (8.1) million at the end of the reporting period.

The Group's financial position has improved against last year. At the end of the reporting period, gearing was -86.8% (-3.7%) and the equity ratio was 49.7% (41.4%). During the second quarter of 2023, Raute raised net new equity of EUR 15.5 million in the form of a directed share issue, rights issue and convertible junior loans.

Interest-bearing net liabilities amounted to EUR -34.3 million (-0.9) at the end of the reporting period.

The company has a credit facility of EUR 5 million. At the end of the reporting period, the new facility was not in use.

### Capital expenditure

Capital expenditure during the period totaled EUR 0.4 million (0.9) and accounted for 0.9% (2.4%) of net sales.

## EVENTS DURING REPORTING PERIOD

### Raute signs a full scope service agreement with Paged Eesti

On February 2, 2024, Raute Corporation announced a service agreement with Paged Eesti OÜ, Estonia, part of Paged Group.

Under the contract, Raute will take full maintenance responsibility for the production machinery including consumables, spare parts, and small upgrades. Paged Eesti's maintenance team of 19 people is transferred to Raute's services team. Founded over 90 years ago, Paged is one of the five largest plywood manufacturers and a significant producer of wooden chairs in the European Union.

### Raute receives a EUR 20 million order from Latvia

On February 20, 2024, Raute announced an order worth EUR 20 million from AmberBirch SIA of Latvia for the technology delivery of a birch veneer production plant expansion.

The order for Raute's technology includes all main production processes of veneer production: a log handling line, veneer peeling line, and veneer drying and grading line, visual and moisture analyzers with an extensive service package and MIIISIGHTS MIS -software. The lines are of the latest, most automated R7-Series technologies. Engineering work for the plant is already ongoing, and the ordered machinery and equipment will be delivered between the end of 2024 and the beginning of 2025.

## RESEARCH AND DEVELOPMENT COSTS

Raute is a leading technology supplier for the plywood and LVL industries and focuses strongly on the development of increasingly efficient, productive, safe, and environmentally friendly manufacturing technology and supporting measurement and machine vision applications. New opportunities provided by digitalization are also an essential part of the R&D activities.

In January–March 2024, the Group's research and development costs amounted to EUR 1.4 million (1.3), representing 3.2% of net sales (3.5%).

## PERSONNEL AND OCCUPATIONAL SAFETY

At the end of the reporting period, the Group's headcount was 775 (733). Personnel outside of Finland accounted for 31.1% (30.2%) of all employees. In full-time-equivalent terms, the average number of employees during the reporting period was 772 (707).

Occupational safety continues to be the focus of the management, and safety-related metrics have demonstrated a longer-term downward trend. In January–March 2024, there were 1 (4) lost-time injury. The accident frequency (LTIF) (rolling 12 months) was 5.7, decreasing from the 2023 level of 7.9. Raute has an ongoing global multi-year safety program to take the company's safety culture and performance to the next level.

## CHANGES IN THE EXECUTIVE BOARD

On January 26, 2024, Markus Sirviö was appointed Executive Vice President, Analyzers business unit. His predecessor Jani Roivainen was appointed Executive Vice President, Wood Processing business unit as of January 1, 2024.

Raute Group's Executive Board and the members' areas of responsibility on March 31, 2024:

Mika Saariaho, President and CEO;  
Jani Roivainen, Executive Vice President, Wood Processing – Wood Processing business unit;  
Markus Sirviö, Executive Vice President, Analyzers – Analyzers business unit;  
Kurt Bossuyt, Executive Vice President, Services – Services business unit;  
Jari Myrskyläinen, Chief Commercial Officer (CCO) – Sales & marketing, commercial excellence;  
Tarja Moilanen, Chief People Officer (CPO) – Human resources, people development, health & safety;  
Ville Halttunen, Chief Financial Officer (CFO) – Finance, ICT, IR, ESG, other business support

## STRATEGY AND FINANCIAL TARGETS

### Raute – Making Wood Matter

Raute aims to grow its Services concept and strengthen its offering in Analyzers and Wood Processing with innovative production solutions and models, as well as data and digital tools in the global market for veneer, plywood and LVL production technologies.

Our aim is to accelerate growth by expanding Raute's portfolio into new wood products segments, especially through digital and analytical solutions and new service concepts. Our commitment is to lead the industry towards a more sustainable future in engineered wood products.

We have integrated sustainability as a fundamental aspect into our operations, balancing economic, social, and environmental considerations in our decision-making processes. Our unwavering principles of safety, ethical conduct, and diversity and inclusion guide us on our journey to generate growth for all

our stakeholders with high ESG standards and deliver a lasting positive impact on nature and society.

Raute's new financial targets for 2028 aligned with the strategy are:

- Net sales 250 MEUR including both organic and inorganic growth
- Services and Analyzers relative share of net sales 40% of the Group
- Comparable EBITDA margin 12% on average over cycle
- Capital structure: Equity ratio over 40%

Raute aims to pay a stable and sustainable dividend over different market conditions.

## SHARES AND SHARE CAPITAL

Raute Corporation's shares are listed on Nasdaq Helsinki Ltd. The trading code is RAUTE. All shares carry one vote and have equal voting rights in General Meetings.

On March 31, 2024, Raute's share capital amounted to EUR 8.3 million and the total number of shares totaled 6,122,679 (6,122,679 on December 31, 2023).

The number of shareholders totaled 6,382 at the end of the reporting period (6,275 on December 31, 2023). On March 31, 2024, Raute and its subsidiaries held 92,252 (0) own shares for reward purposes, corresponding to 1.5% of all outstanding shares.

### Share trading

Share trading volume in January–March 2024 totaled 197,665 shares, corresponding to EUR 2.1 million. The highest trading price was EUR 11.80 and the lowest was EUR 9.88. The closing price at the end of the review period was EUR 10.25, and the market value based on the closing price was approximately EUR 62.8 million.

### Share-based incentive plans

Raute has long-term share-based incentive plans based on performance.

On February 15, 2024, Raute's Board of Directors decided on the commencement of a long-term incentive plan for the Group's senior management and selected key persons. The decision includes a Performance Share Plan ("PSP") as the main structure and a restricted Share Plan ("RSP") as a complementary structure.

## ANNUAL GENERAL MEETING 2024 (held after the reporting period on April 4, 2024)

Raute Corporation's Annual General Meeting was held in Lahti on April 4, 2024. The Annual General Meeting adopted the Financial Statements, approved the Remuneration Report and Remuneration Policy for Governing Bodies, and discharged the members of the Board of Directors and President and CEO from liability for the financial year January 1–December 31, 2023.

### *Resolution on the use of the profit shown on the balance sheet and the distribution of dividend*

In accordance with the Board of Directors' proposal, the Annual General Meeting decided that a dividend of EUR 0.10 per share be distributed for the financial year January 1–December 31, 2023. The dividend will be distributed to shareholders who, on the record date of dividend distribution, April 8, 2024, are registered in the shareholders' register of the company maintained by Euroclear Finland Oy. The dividend was paid on April 18, 2024.

### *Resolution on the number and remuneration of the members of the Board of Directors*

The number of members of the Board of Directors was resolved to be seven (7).

The Annual General Meeting decided that the remuneration to the Chair of the Board continues to be EUR 48,000 and to the Vice-Chair of the Board and Board members EUR 24,000 for the term of office. Reimbursement of expenses will be paid in accordance with the company's current travel policy.

If the Board of Directors were to establish separate Board committees, the following remuneration was decided for committee work:

- Meeting fee for committee work to the Chair of the Audit Committee EUR 1,000 per meeting,
- The meeting fee for the chairs of other possible committees and committee members is EUR 500 per meeting.

### *Election of the members of the Board of Directors*

The Annual General Meeting elected the Board of Directors for the next term of office ending at the end of the Annual General Meeting in 2025. The Annual General Meeting elected Laura Raitio, Licentiate of Science (Technology), as the Chair of the Board of Directors, Joni Bask, M.Sc. (Tech.), as the Vice-Chair of the Board of Directors, and Ari Harmaala, Engineer (Construction Technology), Ari Piik, B.Sc. (Econ.), Mikko Kettunen, M.Sc. (Econ.), Julius Manni, M.Sc. (Econ.) and Jenni Virnes, M.Sc. (Eng.) as members of the Board of Directors.

### *Election and remuneration of the auditor*

The Annual General Meeting elected audit firm PricewaterhouseCoopers Oy as the company's auditor, with Authorized Public Accountant (KHT) Mikko Nieminen as the principal auditor. It was resolved that the auditor's remuneration be paid in accordance with an invoice approved by the company.

### *Election and remuneration of the sustainability auditor*

The Annual General Meeting elected Authorized Sustainability Auditors PricewaterhouseCoopers Oy as the company's sustainability auditor with Authorized Sustainability Auditor (KRT) Mikko Nieminen as the sustainability auditor with principal responsibility. It was resolved that the sustainability auditor's remuneration be paid in accordance with an invoice approved by the company.

### *Authorizing the Board of Directors to resolve on the acquisition of own shares*

The Annual General Meeting decided to authorize the Board to resolve on the repurchase of a maximum of 600,000 of Raute Corporation's shares using assets from the company's non-restricted equity, which would lead to a decrease in the company's distributable funds.

The authorization entitles the Board to acquire the company's shares to be used for the development of the company's capital structure, as consideration for funding or carrying out

any acquisitions or other arrangements, or to be otherwise disposed of or cancelled.

The purchase consideration paid for shares purchased by virtue of the authorization shall be based on the price of the company's share in public trading so that the minimum price of the acquired shares is the lowest market price quoted in public trading during the term of validity of the authorization and, correspondingly, so that the maximum price is the highest market price quoted in public trading during the term of validity of the authorization.

The authorization includes the right to acquire shares in a directed manner, i.e., not in proportion to the holdings of the shareholders. A directed repurchase of the company's own shares can take place, for example, by acquiring shares in public trading on markets where, according to the regulations, the company is permitted to engage in the trade of its own shares. Repurchasing shares in public trading as mentioned above, or otherwise in a directed manner, requires that the company has a weighty financial reason to do so.

The Board of Directors is authorized to decide on other terms and conditions related to share repurchases.

This authorization shall replace the authorization granted by the Annual General Meeting on March 30, 2023, and is effective until the end of the next Annual General Meeting, or for no more than 18 months following the decision of the Annual General Meeting.

*Authorizing the Board of Directors to resolve on a share issue and the issuance of special rights entitling to shares*

The Annual General Meeting decided to authorize the Board to resolve on an issue of Raute Corporation's shares and the issuance of special rights entitling to shares referred to in chapter 10, section 1 of the Finnish Companies Act in one or several instalments. The Board of Directors is authorized to resolve on all conditions of the share issue or the issuance of special rights, including the recipients and the sum of a possible consideration to be paid.

The Board of Directors may, by virtue of the authorization, resolve to issue either new shares or treasury shares held by the company. The aggregate maximum number of shares that can be issued is 600,000 shares. Any shares to be issued

based on special rights entitling to shares are included in the above-mentioned aggregate number of shares.

The authorization includes the right to deviate from the shareholders' pre-emptive rights, provided that the company has a weighty financial reason to do so. A directed share issue may be without payment only if a weighty financial reason exists in terms of the company, while considering the interests of all the shareholders. The authorization can be used, with the restrictions presented above to fund or carry out acquisitions or other arrangements or for other purposes decided by the Board of Directors.

The authorization is effective until the end of the next Annual General Meeting, or for no more than 18 months following the resolution of the Annual General Meeting.

## EVENTS AFTER THE REPORTING PERIOD

### Charges pressed against a member of the Board of Directors of Raute in a Ramirent Oyj related matter

On April 3, 2024, Raute announced that the public prosecutor has decided to press charges related to suspected securities markets offences against Laura Raitio, who is a member of the Board at Raute Corporation. Charges have been pressed against several people. Laura Raitio was a member of the Board of Directors at Ramirent Oyj during the period referred to in the charges, in 2019. According to the information that Raute has received, Laura Raitio denies the accusation of the prosecutor.

The matter does not relate to Raute, and the charges do not have an effect on the work of the Raute Board of Directors. The company monitors the progress of the proceedings and revisits the topic when the outcome of the proceedings has been determined at the latest.

## KEY BUSINESS RISKS

Changes in the global economy and financial markets may have a negative impact on Raute's operations, performance, financial position, and sources of capital.

Raute is subject to geopolitical and macroeconomic conditions, where significant cost fluctuations and increasing

interest rates may give cause to economic downturn. Such a downturn would likely impact Raute's operations and reduce the underlying demand.

The bulk of Raute's business operations consists of project deliveries, which expose the company to risks caused by customer-specific customized solutions related to each customer's end product, production methods or raw materials. At the quotation and negotiation phase, the company takes risks relating to the promised performance and estimates of implementation costs. Other risks for Raute are related to the price inflation and availability of raw materials, components, and freight. Also, union strikes pose a short-term risk for Raute.

Raute's business and products can be affected directly or indirectly by legislation or other regulation such as sanctions. It is also possible that Raute is subject to litigation. At the end of 2023, Raute terminated all remaining Russian project agreements. Currently, Raute is in the process of closing its subsidiary Raute Service LLC. However, Raute is still vulnerable to changes in regulation, sanctions, and financial transactions, which may extend the closing process.

Raute is implementing a new company-wide ERP system, which has a direct impact on Raute's daily operations and financial management. The ERP system has been implemented in Finland. Delays in the roll-out of the system or possible challenges in migrating data to new ERP systems could result in cost overruns for the ERP system implementation, as well as disruptions in the customer delivery projects, also resulting in deteriorating customer relationships.

The company's IT systems may be affected by malfunctions, outages, failures, or cyber security attacks. These can lead to significant disruptions in the company's business, have a material adverse effect on its reputation, and cause unexpected costs.

Raute's investments in the product development of new technologies are significant and involve the risk that a given project will not lead to a technologically or commercially acceptable solution.

Raute has a strategy and related financial targets that aim for significant growth and profitability improvement by 2028. The company faces the risk that the execution of the strategy is

not successful within the set timeline or that the set targets cannot be met.

The most significant financing risks in the Group's business operations are default risks and currency risks related to counterparties. The Group is also exposed to liquidity, refinancing, interest rate and price risks.

RAUTE CORPORATION  
Board of Directors

Raute Corporation's Board of Directors has approved this interim report for January 1–March 31, 2024 to be published.

The figures for the financial year 2023 presented in the figures section of the Interim financial report have been audited. The presented interim financial report figures have not been audited.

**CONSOLIDATED STATEMENT OF INCOME**

EUR 1 000	Note	1.1.–31.3.2024	1.1.–31.3.2023	1.1.–31.12.2023
<b>NET SALES</b>	4	<b>44 684</b>	36 815	145 416
<b>Change in inventories of finished goods and work in progress</b>		<b>478</b>	-984	-1 143
<b>Other operating income</b>		<b>11</b>	229	641
Materials and services		-22 963	-15 371	-63 029
Employee benefits expense		-14 122	-13 509	-52 246
Depreciation and amortization		-1 401	-1 140	-4 917
Other operating expenses		-5 221	-5 183	-22 860
<b>Total operating expenses</b>		<b>-43 707</b>	-35 203	-143 052
<b>OPERATING RESULT</b>		<b>1 466</b>	856	1 863
Financial income		437	344	940
Financial expenses		-287	-411	-1 008
<b>Financial expenses net</b>		<b>151</b>	-67	-67
<b>RESULT BEFORE TAX</b>		<b>1 617</b>	789	1 795
<b>Income taxes</b>		<b>-351</b>	-343	-445
<b>RESULT FOR THE PERIOD</b>		<b>1 266</b>	446	1 350
<b>Result for the period attributable to Equity holders of the Parent company</b>		<b>1 266</b>	446	1 350
<b>Earnings per share for profit attributable to Equity holders of the Parent company EUR</b>				
Undiluted earnings per share		0.20	0.10	0.22
Diluted earnings per share		0.19	0.10	0.22

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR 1 000	1.1.–31.3.2024	1.1.–31.3.2023	1.1.–31.12.2023
<b>RESULT FOR THE PERIOD</b>	<b>1 266</b>	446	1 350
<b>Other comprehensive income items</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Changes in the fair value of financial assets att fair value through other comprehensive income	-	-	-260
<b>Items that may be subsequently reclassified to profit or loss</b>			
Hedging reserve hedge accounting	-302	54	19
Exchange differences on translating foreign operations	102	55	-398
Income taxes related to these items	-	-	-
<b>Comprehensive income items for the period net of tax</b>	<b>-200</b>	109	-639
<b>COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>1 066</b>	555	711
<b>Comprehensive profit for the period attributable to Equity holders of the Parent company</b>	<b>1 066</b>	555	711



## CONSOLIDATED BALANCE SHEET

EUR 1 000	Note	31.3.2024	31.3.2023	31.12.2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	6	1 714	1 714	1 714
Other intangible assets	7, 8	10 793	10 007	11 035
Property plant and equipment	7, 8	9 331	10 580	9 600
Right of use assets		6 077	7 070	6 482
Other financial assets		829	999	753
Deferred tax assets		5 562	4 616	5 566
<b>Total non-current assets</b>		<b>34 306</b>	34 985	35 151
<b>Current assets</b>				
Inventories		26 506	15 573	26 369
Accounts receivables and other receivables		34 159	37 918	25 779
Income tax receivable		6	16	1
Cash and cash equivalents		40 510	8 077	48 105
<b>Total current assets</b>		<b>101 182</b>	61 584	100 254
<b>TOTAL ASSETS</b>		<b>135 488</b>	96 569	135 405

## CONSOLIDATED BALANCE SHEET

EUR 1 000	31.3.2024	31.3.2023	31.12.2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Equity holders of the Parent company</b>			
Share capital	8 256	8 256	8 256
Own shares	-907	-	-950
Fair value reserve and other reserves	19 293	6 854	19 526
Exchange differences	643	994	541
Retained earnings	7 938	6 956	6 678
Result for the financial year	1 266	446	1 350
<b>Total equity attributable to Equity holders of the Parent company</b>	<b>36 489</b>	23 508	35 401
Convertible junior loan	3 000	-	3 000
<b>Total equity</b>	<b>39 489</b>	23 508	38 401
<b>Non-current liabilities</b>			
Deferred tax liability	0	32	33
Lease liability	4 951	5 998	5 334
Provisions	501	210	563
<b>Total non-current liabilities</b>	<b>5 452</b>	6 239	5 930
<b>Current liabilities</b>			
Provisions	1 419	2 353	1 783
Lease liability	1 270	1 199	1 289
Current advance payments received	56 026	39 734	58 860
Income tax liability	2 193	1 049	1 974
Trade payables and other liabilities	29 640	22 488	27 168
<b>Total current liabilities</b>	<b>90 548</b>	66 822	91 074
<b>Total liabilities</b>	<b>96 000</b>	73 061	97 004
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>135 488</b>	96 569	135 405

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1 000	1.1.–31.3.2024	1.1.–31.3.2023	1.1.–31.12.2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Proceeds from customers	38 040	42 301	179 455
Payments to suppliers and employees	-44 491	-33 539	-141 980
<b>Cash flow before financial items and taxes</b>	<b>-6 451</b>	8 762	37 475
Interest paid from operating activities	-6	-56	-75
Dividends received from operating activities	14	20	416
Interest received from operating activities	409	29	823
Other financing items from operating activities	-590	-130	-554
Income taxes paid from operating activities	-131	-47	543
<b>Net cash flow from operating activities (A)</b>	<b>-6 755</b>	8 578	38 628
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property plant and equipment and intangible assets	-424	-1097	-4 486
Proceeds from sale of property plant and equipment and intangible assets	-	16	60
<b>Net cash flow from investing activities (B)</b>	<b>-424</b>	-1 081	-4 426
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Directed share issue and rights issue	-	-	13 944
Convertible junior loan	-	-	3 000
Expenses for share issues and junior loan	-90	-	-1631
Repurchase of own shares	-	-	-950
Repayments of current borrowings	-	-6729	-6 729
Repayments of lease liability	-309	-323	-1 284
Dividends paid	-	-	-
<b>Net cash flow from financing activities (C)</b>	<b>-399</b>	-7 052	6 350
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>-7 578</b>	445	40 552
increase (+)/decrease (-)			
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>48 105</b>	7 618	7 618
<b>Net change in cash and cash equivalents</b>	<b>-7 578</b>	445	40 552
<b>Effects of exchange rate changes on cash</b>	<b>-17</b>	14	-65
<b>Cash and cash equivalents at the end of the period</b>	<b>40 510</b>	8 077	48 105

\*Cash and cash equivalents comprise cash and bank receivables which will be due within the following three months' period.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1 000	Share capital	Invested non-restricted equity reserve	Own shares	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	Convertible junior loan	TOTAL EQUITY
<b>EQUITY at Jan. 1, 2024</b>	<b>8 256</b>	<b>18 205</b>	<b>-950</b>	<b>1 321</b>	<b>541</b>	<b>8 028</b>	<b>35 401</b>	<b>3 000</b>	<b>38 401</b>
<b>Comprehensive result for the period</b>									
Result for the period	-	-	-	-	-	1 266	1 266	-	1 266
Other comprehensive income items:									
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Hedging reserve	-	-	-	-302	-	-	-302	-	-302
Exchange differences on translating foreign operations	-	-	-	-	102	-	102	-	102
Income taxes related to these items	-	-	-	-	-	-	-	-	-
<b>Total comprehensive items after taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-302</b>	<b>102</b>	<b>1 266</b>	<b>1 066</b>	<b>-</b>	<b>1 066</b>
<b>Total comprehensive result for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-302</b>	<b>102</b>	<b>1 266</b>	<b>1 066</b>	<b>-</b>	<b>1 066</b>
Convertible junior loan	-	-	-	-	-	-90	-90	-	-90
<b>Transactions with owners</b>									
Share rewards	-	-	-	68	-	-	68	-	68
Use of own shares	-	-	43	-	-	-	43	-	43
Dividends paid	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>68</b>	<b>-</b>	<b>-90</b>	<b>21</b>	<b>-</b>	<b>21</b>
<b>EQUITY at March 31, 2024</b>	<b>8 256</b>	<b>18 205</b>	<b>-907</b>	<b>1 088</b>	<b>643</b>	<b>9 204</b>	<b>36 489</b>	<b>3 000</b>	<b>39 489</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1 000	Share capital	Invested non-restricted equity reserve	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	TOTAL EQUITY
<b>EQUITY at Jan. 1, 2023</b>	<b>8 256</b>	<b>5 711</b>	<b>1 034</b>	<b>939</b>	<b>6 956</b>	<b>22 897</b>	<b>22 897</b>
<b>Comprehensive result for the period</b>							
Result for the period	-	-	-	-	446	446	446
Other comprehensive income items:							
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	0	0
Hedging reserve	-	-	54	-	-	54	54
Exchange differences on translating foreign operations	-	-	-	55	-	55	55
Income taxes related to these items	-	-	-	-	-	0	0
<b>Total comprehensive items after taxes</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>55</b>	<b>446</b>	<b>555</b>	<b>555</b>
<b>Total comprehensive result for the period</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>55</b>	<b>446</b>	<b>555</b>	<b>555</b>
<b>Transactions with owners</b>							
Equity-settled share-based transactions	-	-	55	-	-	55	55
Dividends paid	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>55</b>
<b>EQUITY at March 31, 2023</b>	<b>8 256</b>	<b>5 711</b>	<b>1 143</b>	<b>994</b>	<b>7 402</b>	<b>23 508</b>	<b>23 508</b>



## NOTES TO THE INTERIM REPORT

### Basic information

Raute Group is a globally operating technology and service company serving the wood products industry, with core competence in selected wood products manufacturing processes. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood, LVL and sawn timber.

Raute's full-service concept is based on product life-cycle management and includes project deliveries and technology services. Raute's technology offering covers machinery and equipment for the customer's entire production process. In addition to a broad range of machines and equipment, Raute's solutions cover technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations as well as consulting, training, reconditioned machinery and digital services.

Raute Group's Parent company, Raute Corporation, is a Finnish public limited liability company established in accordance with Finnish law (Business ID FI01490726). Its shares are quoted on Nasdaq Helsinki Ltd, under Industrials. Raute Corporation is domiciled in Lahti. The address of its registered office is Rautetie 2, 15550 Nastola, Finland, and its postal address is P.O. Box 69, 15551 Nastola, Finland. All of the figures presented in the release are in thousand euro, unless otherwise stated. Due to the rounding of the figures in the financial statement tables, the sums of figures may deviate from the sum total presented in the table. Figures in parentheses refer to the corresponding figures in the comparison period.

### Accounting principles

Raute Corporation's Interim report for January 1–March 31, 2024 has been prepared in accordance with standard IAS 34 Interim Financial Reporting.

The interim report does not contain full notes and other information presented in the financial statements, and therefore the interim report should be read in conjunction with the Financial statements published for 2023.

Raute Corporation's Interim report for January 1–March 31, 2024 has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations released accepted for application in the European Union. The interim report has been drawn up according to the same accounting principles as in the Consolidated financial statements for 2023.

When preparing the interim report in compliance with International Financial Reporting Standards, the company management has made estimates and assumptions. In addition, the management has used discretion in selection and application of accounting principles for the reporting period. The management's estimates have been based on the best view at the time of the interim report, and they comprise risks and uncertainties, therefore actual results may differ from these estimates.

### IFRS standards that have been published and will be valid in future financial periods

Standards for future periods will not be expected to have a significant impact on Raute Corporation's Consolidated financial statements excluding IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. The implementation of these standards will have significant presentation requirements for Raute Corporation's consolidated financial statements, and the company is actively evaluating them.

### Significant events during the reporting period

On January 12, 2024, the Shareholders' Nomination Board proposed to the Annual General Meeting 2024 that Raute's Board of Directors would consist of seven members. The Nomination Board proposed that Laura Raitio would continue to be elected as the Chair of the Board of Directors and Joni Bask would be elected as the Vice Chair of the Board of Directors. It was proposed that Ari Harmaala and Ari Piik to be re-elected as members of the Board of Directors, and Mikko Kettunen, Julius Manni and Jenni Virnes to be elected as new members of the Board of Directors.

On January 26, 2024, the company announced the appointment of Markus Sirviö as Executive Vice President, Analyzers business unit and member of the Executive Board of Raute Corporation as of January 26, 2024.

On February 2, 2024, Raute announced a service agreement with Paged Eesti OÜ, Estonia, part of Paged Group. Under the contract, Raute will take the full maintenance responsibility for the production machinery including consumables, spare parts, and small upgrades. Paged Eesti's maintenance team of 19 people is transferred to Raute services team.

On February 15, 2024, the company announced that Raute's Board of Directors have decided on the commencement of a long-term incentive plan for the Group's senior management and selected key persons. The decision includes a Performance Share Plan ("PSP") as the main structure and a restricted Share Plan ("RSP") as a complementary structure. The purpose of the plan is to align the objectives of the owners and management in order to develop the company's value for the long term, as well as to commit the company's management and key persons to the company and to achieving the company's strategic goals. More information in the Note part 2.

On February 22, 2024, Raute announced that it had signed a contract worth EUR 20 million with AmberBirch, SIA of Latvia for the technology delivery of a birch veneer production plant expansion of 60 000 m<sup>3</sup>/a capacity. The order for Raute's technology includes all main production processes of veneer production: log handling line, veneer peeling line, and veneer drying and grading line, visual- and moisture analyzers with extensive service package and MillsIGHTS MIS-software. The lines are of the latest, most automated R7-Series technologies

### Events after the end of the financial year

The Annual General Meeting of Raute Corporation was held on 4 April, 2024. The decision made by the Annual General Meeting are presented elsewhere in the report.

## NOTE 1

### RELATED-PARTY TRANSACTIONS

Raute Group's related parties include the group's subsidiaries, group parent company's board members, group's CEO and group management. Group's related parties include also these persons' close family members and entities which are in their control or in common control. Compensation paid to related parties is presented in the following table:

EUR 1 000	1.1.-31.3. 2024	1.1.-31.3. 2023	1.1.-31.12. 2023
<b>Salaries and remunerations of the President and CEO</b>			
<b>Mika Saariaho President and CEO</b>			
Salaries and other short-term employee benefits	78	72	282
Other long-term benefits	-	-	24
Post-employment benefits	14	13	56
Sharea-based benefits	50	17	148
<b>TOTAL</b>	<b>142</b>	102	510
<b>Remuneration of the Parent company's Board of Directors</b>			
<b>Members of the Board of Directors</b>			
Raitio Laura Chair of the Board of Directors	12	12	48
Mustakallio Mika Vice-Chair of the Board of Directors	6	6	24
Bask Joni Board member	6	6	24
von Essen Patrick Board member	6	6	24
Harmaala Ari Board member	6	6	24
Perttula Petri Board member	6	6	24
Piik Ari Board member	6	6	24
<b>TOTAL</b>	<b>48</b>	48	192
<b>Group Executive Board's employee benefits on an accrual basis</b>			
Salaries and other short-term employee benefits	228	244	1 072
Post-employment benefits	41	44	195
Sharea-based benefits	60	24	240
<b>TOTAL</b>	<b>329</b>	312	1 507

On March 31, 2024 the **Board of Directors and the Group's President and CEO and the Group's Executive Board held** altogether 227 377 shares which represented 3.7 percent of the company shares and the votes. The figures include the holdings of their own close family members and control entities.

During the financial year no loans have been granted to the company's management. No pledges have been given or other commitments made on behalf of the company's management and shareholders.

## NOTE 2

### SHARE-BASED PAYMENTS

There are six valid long-term performance-based incentive plans for the Group's top management. The company decided on the launch of the latest share value based long-term performance incentive program for the Group's top management and selected key persons on February 15, 2024. The decision includes a Performance Share Plan ("PSP") as the main structure and a restricted Share Plan ("RSP") as a complementary structure. The purpose of the system is to align the goals of the owners and management to generate the company's value in the long term and to commit the company's management and key personnel to the company and to the achievement of the company's strategic goals.

The performance-based share reward system PSP 2024–2026 started at the beginning of 2024 and consists of a three-year earning period, to which two performance metrics are applied. The performance indicators are the operating margin (EBITDA) with a weight of 60 percent and the turnover targets with a 40 percent weight. The bonuses will be paid after the end of the three-year program and after the financial statements are completed in the spring of 2027, provided that the performance targets set by the board are achieved, either in Raute's shares or in cash, or a combination of these. The members of the Group's management team are entitled to participate in the PSP 2024–2026 program. The board is entitled to limit the remuneration paid from the long-term incentive system, if the remuneration exceeds the threshold value proportional to the key person's fixed gross annual salary. If the participant's employment or business relationship ends before the reward is paid, the reward will not be paid as a general rule. The maximum reward paid under the program corresponds to the value of approximately 53,000 of the company's shares. Total remuneration means the gross amount of remuneration before deduction of applicable withholding tax.

The conditional reward system RSP consists of individual conditional share reward programs that start every year, each of which can include a commitment period of three years in total. During the program, the company can promise fixed-amount share bonuses to separately selected key personnel, including members of the Raute Group's management team, applying a commitment period of a maximum of three years. The share bonus is paid after the commitment period applicable to the respective individual share bonus offer. The company can, according to its choice, pay the promised share bonuses either as a one-time payment or in several installments within the three-year total duration of the program. According to the company's choice, the bonuses can be paid either in Raute's shares or in cash based on the value of the share bonus at the time of payment. Payment of the bonus requires that the recipient's employment or business relationship with Raute still continues at the time of payment of the bonus. Under the RSP, the amount of remuneration paid to participants is limited by a maximum value, which is linked to the development of Raute's share price based on the coefficient set by the company. The conditional share bonus system program RSP 2024–2026 starts at the beginning of 2024 and the maximum number of share bonuses is approximately 68,000 shares (meaning gross remuneration less applicable withholding tax).

In accordance with the ownership recommendation the company abides by, the members of the company's Executive Board are expected to accrue and, after attaining, to retain in their ownership an amount of the company's shares that equals, for the CEO, his/her gross annual fixed salary, and for the other Executive Board members, their six months' gross fixed salary. The members of the Executive Board are expected to use 50 per cent of the net bonus he/she receives from the plan to accrue his/her share ownership until such ownership meets the level recommended above. Share ownership accrues either by retaining ownership of bonuses received as shares or by acquiring shares through cash bonuses received under the plan.

During the reporting period, the estimate of the shares to be earned has remain unchanged. The impact of share-based incentive plans on the reporting period's result was EUR 68 thousand. At the end of the reporting period, EUR 636 thousand was allocated to the equity item from the share-based incentive plans in force. The comparison period did not include material impacts on the period's result or equity

### NOTE 3 EQUITY FINANCING INSTRUMENT

Convertible perpetual loans are handled in IFRS accounting as equity as interest payments and repayments can be decided by the company. The related transaction costs are deducted from the equity. The loans are shown as a separate item in the equity. The junior loans do not confer on the holders the rights of a shareholder.

### NOTE 4 NET SALES

Raute serves the wood products industry with a full-service concept based on technology solutions that cover the customer's entire production process and services. Raute's business consists of project deliveries and technology services. Project deliveries encompass projects from individual machine or production line deliveries to the deliveries of entire mill production process, covering all the required machines and equipment.

Additionally, Raute's full-service concept includes comprehensive technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations, as well as consulting, training, reconditioned machinery and digital services. Project deliveries and technology services related modernizations include sales of both products and services, therefore the split of group's net sales into purely product and service sales cannot be presented reliably.

Large mill or production line scale delivery projects can temporarily increase the share of an individual customer of the Group's net sales to more than ten percent. During the first quarter of 2024, the Group had one customer, whose customized share of the Group's net sales exceeded ten percent.

EUR 1 000	1.1-31.3. 2024	%	1.1-31.3. 2023	%	1.1-31.12. 2023	%
<b>Net sales by market area</b>						
EMEA (Europe and Africa excluding Finland)	14 414	32	14 094	38	44 649	31
NA (North America)	11 379	25	9 761	27	43 980	30
CIS (Russia)	412	1	5 472	15	13 430	9
EMEA (Finland)	2 910	7	3 438	9	13 123	9
APAC (Asia-Pacific)	1 419	3	2 531	7	9 015	6
LAM (South America)	14 149	32	1 518	4	21 218	15
<b>TOTAL</b>	<b>44 684</b>	<b>100</b>	<b>36 815</b>	<b>100</b>	<b>145 416</b>	<b>100</b>

EUR 1 000	31.3.2024	31.3.2023	31.12.2023
<b>Specification of net sales</b>			
Performance obligations to be satisfied over time	32 529	26 277	103 791
Performance obligations to be satisfied at a point in time	12 155	10 538	41 626
<b>TOTAL</b>	<b>44 684</b>	<b>36 815</b>	<b>145 416</b>

### NOTE 5

EUR 1 000 euroa	1.1.-31.3.2024	1.1.-31.3.2023	1.1.-31.12.2023
<b>RESEARCH AND DEVELOPMENT COSTS</b>			
Research and development costs for the financial period*	-1 295	-1 183	-4 567
Amortization of previously capitalized research and development costs**	-166	-90	-648
Development costs recognized as an asset in the balance sheet	37	-	-
Research and development costs recognized as an expense for the period	-1 424	-1 273	-5 215

\* Research and development expenses consist of the expenses of numerous R&D projects that do not meet the criteria for activation

\*\* Depreciation in Other intangible assets is divided into two groups, Development costs and Other intangible assets.



## NOTE 6

EUR 1 000

	31.3.2024	31.3.2023	31.12.2023
<b>OTHER INTANGIBLE ASSETS</b>			
<b>Acquisition cost at the beginning of the reporting period</b>	<b>23 178</b>	20 088	20 087
Exchange rate differences	1	-3	-139
Deductions	-	-	-36
Additions	288	845	3 265
Reclassification between items	-	-	-
<b>Acquisition cost at the end of the reporting period</b>	<b>23 467</b>	20 930	23 178
<b>Accumulated depreciation and amortization at the beginning of the reporting period</b>	<b>-12 143</b>	-10 699	-10 699
Exchange rate differences	-1	3	139
Accumulated depreciation of deductions and transfers	-	-	-
Value decrease	-	-	-
Depreciation and amortization for the financial year	-530	-226	-1 583
<b>Accumulated depreciation and amortization at the end of the reporting period</b>	<b>-12 673</b>	-10 922	-12 143
<b>Book value of Other intangible assets at the beginning of the reporting period</b>	<b>11 035</b>	9 388	9 388
<b>Book value of Other intangible assets at the end of the reporting period</b>	<b>10 793</b>	10 007	11 035
<b>NOTE 7</b>			
<b>PROPERTY PLANT AND EQUIPMENT</b>			
<b>Acquisition cost at the beginning of the reporting period</b>	<b>67 733</b>	67 357	67 357
Exchange rate differences	36	-170	-450
Additions	136	107	1 221
Disposals	-81	-145	-394
Reclassification between items	-	-	-
<b>Acquisition cost at the end of the reporting period</b>	<b>67 823</b>	67 148	67 733
<b>Accumulated depreciation and amortization at the beginning of the reporting period</b>	<b>-51 652</b>	-48 660	-48 660
Exchange rate differences	-1	48	127
Reclassifications between items	-	-	-
Depreciation and amortization for the reporting period	-762	-889	-3 119
<b>Accumulated depreciation and amortization at the end of the reporting period</b>	<b>-52 415</b>	-49 500	-51 652
<b>Book value of Property, plant and equipment, at the beginning of the reporting period</b>	<b>16 083</b>	18 698	18 698
<b>Book value of Property, plant and equipment, at the end of the reporting period</b>	<b>15 408</b>	17 649	16 083

## NOTE 8

EUR 1 000

	31.3.2024	31.3.2023	31.12.2023
<b>RIGHT-OF-USE ASSETS</b>			
<b>Book value at the beginning of the reporting period</b>	<b>6 482</b>	7 456	7 456
Exchange rate difference	28	-96	-234
Increases	-	37	560
Disposals	-81	-47	-47
Depreciation for the financial year	-353	-280	-1 253
<b>Book value at the end of the reporting period</b>	<b>6 077</b>	7 070	6 482

Right-of-use assets are included in balance sheet item Property plant and equipment.

## NOTE 9

### FINANCIAL ASSETS AND LIABILITIES

Raute has a committed standby credit limit of 5.0 million euros and a total uncommitted bank guarantee limit of 68 million euros.

The overdraft limit is valid until January 31, 2025. The overdraft limit was not in use at the period ending March 31, 2024.

The uncommitted guarantee limit consists of two guarantee limits of 20 million euros, one of which is available for domestic and the other for foreign projects, and of a project specific guarantee limit of 28 million euros.

The arrangement is secured by Raute Oyj's business mortgages in the amount of 104.1 million euros and real estate mortgages in the amount of 74.1 million euros. As collateral for the financing arrangement, Raute Corporation has pledged the shares of its Canadian subsidiary Raute Canada Ltd.

#### Covenants

The special conditions or covenants related to the financial indicators of the financing agreement are the minimum operating margin (minimum EBITDA), minimum liquidity and equity ratio. The covenants are reported to the lender quarterly. If the covenant conditions are not met, the creditor can demand accelerated repayment of the limits in use, and terminate the financing agreement.

At the end of the reporting period March 31, 2024, the fair value of the financial assets categorized at fair value hierarchy level 3 was EUR 332 thousand. The item includes the investments in unquoted shares which have been classified as financial assets at fair value through other comprehensive income. Derivative contracts have been classified as financial assets and liabilities at fair value through profit or loss. The fair value of these derivative contracts is based on the price available from the market data, but instruments are not traded in an active market. At the end of the period, financial assets did not include derivative contracts and the fair value of the derivative contracts classified as financial liability was EUR 62 thousand. The Group's interest-bearing liabilities include a lease liability amount of EUR 6,221 thousand at the end of the period.

EUR 1 000	Carrying amount 31.3.2024	Carrying amount 31.3.2023	Carrying amount 31.12.2023
<b>Carrying amounts of financial assets</b>			
Financial assets at fair value through profit or loss			
- Derivative contracts	-	-	-
Financial assets at fair value through other comprehensive income			
- Unquoted share investments	332	616	365
Financial assets at amortized cost			
- Account receivables and other receivables	7 582	7 105	7 033
- Cash and cash equivalents	40 510	8 077	48 105
<b>Total</b>	<b>48 424</b>	<b>15 798</b>	<b>55 503</b>

EUR 1 000	Level 1	Level 2	Level 3	Total
<b>Hierarchy levels</b>				
Financial assets at fair value through other comprehensive income				
- Unquoted share investments	-	-	332	332
Financial assets at fair value through profit or loss				
- Derivative contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>332</b>	<b>332</b>

Financial instruments at fair value are categorized according to standard. Instruments included in level 1 are traded in active markets. The fair values of these instruments are based on the quoted market prices at the balance sheet date. The fair value of the instruments included in level 2 is based on the price available from the market data but instruments are not traded in an active market. The fair value of the instruments included in level 3 is not based on the observable market data but is based on the estimates from the management.

EUR 1 000	31.3.2024	31.3.2023	31.12.2023
<b>OTHER FINANCIAL ASSETS</b>			
Unquoted share investments	332	616	365
<b>Total</b>	<b>332</b>	<b>616</b>	<b>365</b>

**NOTE 10**

EUR 1 000

	31.3.2024	31.3.2023	31.12.2023
<b>CURRENT INTEREST-BEARING LIABILITIES</b>			
<b>Financial liabilities recognized at amortized cost</b>			
Partial payments of financial loans	-	-	-
Account limit used	-	-	-
<b>TOTAL</b>	-	-	-

The following table shows the carrying amounts of financial item which corresponds their fair value carried in the consolidated balance sheet.

	Carrying amount 31.3.2024	Carrying amount 31.3.2023	Carrying amount 31.12.2023
EUR 1 000			
<b>Carrying amounts of financial liabilities</b>			
Financial liabilities at fair value through profit or loss			
- Derivative contracts	62	114	-24
Financial liabilities recognized at amortized cost			
- Financial loans	-	-	-
- Account limit	-	-	-
- Trade payables and other liabilities	14 071	10 355	11 734
- Accrued expenses and prepaid income	-	231	-
<b>Total</b>	<b>14 133</b>	10 701	11 710

EUR 1 000

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
- Derivative contracts	-	62	-	62
<b>Total</b>	-	62	-	62

The fair value of the instruments included in the hierarchy level 2 is based on the price available from the market data but instruments are not traded in an active market.

**NOTE 11**

EUR 1 000

	31.3.2024	31.3.2023	31.12.2023
<b>DERIVATIVES</b>			
<b>Nominal values of forward contracts in foreign currency</b>			
Hedge accounting			
- Related to the hedging of net sales	15 402	13 635	18 993
Derivatives which do not meet the criteria of hedge accounting			
- Related to financing	-	-2 759	-2 715
- Related to the hedging of net sales	-	0	-
<b>Fair values of forward contracts in foreign currency</b>			
Hedge accounting			
- Related to the hedging of net sales	-144	128	95
Derivatives which do not meet the criteria of hedge accounting			
- Related to financing	-	-15	-24
- Related to the hedging of net sales	-	0	-

**NOTE 12**

EUR 1 000

	31.3.2024	31.3.2023	31.12.2023
<b>PLEDGED ASSETS AND CONTINGENT LIABILITIES</b>			
<b>Mortgage agreements</b>			
Business and real estate mortgages as collateral for credit and guarantee limits	178 200*	148 200	178 200
Total credit guarantee arrangement	178 200	148 200	178 200
<b>Mortgage agreements on behalf of subsidiaries</b>			
Financial loans	-	-	-
Other obligations	-	-	-
Other credit guarantee arrangements	-	-	-
<b>Commercial bank guarantees on behalf of the Parent company and subsidiaries</b>	12 384	8 375	12 047
<b>Off-balance sheet leases</b>			
Rental liabilities maturing within one year	292	202	274
Rental liabilities maturing in one to five years	373	221	307
<b>Total</b>	665	422	581

\* Relates to the financing arrangement described in note 9.



## NOTE 13 SEGMENT REPORTING

Raute Group's operations fall into three segments: Wood Processing, Services and Analyzers. The highest operational decision-maker responsible for allocating resources to the operating segment and evaluating its results is Raute Corporation's Board of Directors.

Wood Processing business unit includes Raute's core technology offering for veneer, plywood and LVL production. Delivery scope includes separate production equipment, modernizations, as well as full mill-scale projects, where Raute is a global market leader both in the plywood and LVL industries.

Analyzers business unit serves customers with Raute's latest measurement technology for sorting veneer, plywood and LVL, and special measurement equipment for sawn timber.

Services business unit focuses on Raute's full-service concept ranging from spare parts deliveries to regular maintenance, digital services and equipment upgrades.

Based on Raute's business model, nature of operations and management structure, the combined data of the three segments coincides with the entire group's data, i.e. the income statement items from revenue to comparable EBITDA are allocated to the reportable segments. Raute considers items that affect comparability to be material and items that differ from normal business, related to restructuring costs and ERP renewal costs, costs related to the controlled wind-down of operations in Russia, impairments, gains and losses on the sale of assets, transaction costs related to combining business operations, litigation and arbitration costs.

Raute Corporation's Board of Directors does not monitor the assets and liabilities of the segments on a segment-by-segment basis, so investments, assets and liabilities are presented only at the group level.

Segment reporting follows the principles of preparing consolidated financial statements. Allocation keys are used for the allocation of common costs between the reported segments, which are generally based on annual budgeted sales or expenses. The Raute Group's segments do not have inter-segment sales, but the sales is entirely from external customers.

EUR 1 000	1.1.-31.3.2024	1.1.-31.3.2023	1.1.-31.12.2023
<b>SEGMENT INFORMATION</b>			
<b>Wood Processing</b>			
Net sales	<b>31 962</b>	24 443	92 386
EBITDA	<b>1 130</b>	352	-2 289
Comparable EBITDA	<b>1 219</b>	1 094	-450
<b>Services</b>			
Net sales	<b>9 831</b>	8 261	33 024
EBITDA	<b>1 856</b>	980	4 440
Comparable EBITDA	<b>1 886</b>	1 045	4 863
<b>Analyzers</b>			
Net sales	<b>2 892</b>	4 111	20 006
EBITDA	<b>-119</b>	663	4 629
Comparable EBITDA	<b>-99</b>	699	4 859
<b>SEGMENTS TOTAL</b>			
Net sales	<b>44 684</b>	36 815	145 416
EBITDA	<b>2 867</b>	1 996	6 781
Comparable EBITDA	<b>3 006</b>	2 839	9 273

### COMPARABLE EBITDA ACCORDING TO THE SEGMENT SPLIT

	1.1.-31.3.2024				1.1.-31.3.2023			
EUR 1 000	Wood Processing	Services	Analyzers	Group total	Wood Processing	Services	Analyzers	Group total
EBITDA	1 130	1 856	-119	2 867	352	980	663	1 996
Items affecting comparability	88	30	21	139	742	65	36	843
COMPARABLE EBITDA	1 219	1 886	-99	3 006	1 094	1 045	699	2 839

### COMPARABLE EBITDA

EUR 1000	1.1.-31.3.2024	1.1.-31.3.2023
Comparable EBITDA	3 006	2 839
Items affecting comparability:		
Costs related to controlled exit of Russian business	-49	-
Restructuring costs	-	-566
Costs related to new ERP system	-89	-277
Total items affecting comparability	-139	-843
EBITDA	2 867	1 996
Depreciations	-1 401	-1 139
Operating result	1 466	856
Financing expenses net	151	-67
Result before tax	1 617	789

	1.1.-31.3.2024				1.1.-31.3.2023			
EUR 1 000	Wood Processing	Services	Analyzers	Total	Wood Processing	Services	Analyzers	Total
<b>Net sales by market area</b>								
EMEA (Europe and Africa excluding Finland)	11 462	2 294	658	14 414	11 295	1 874	924	14 094
NA (North America)	6 661	3 859	860	11 379	4 973	3 391	1 397	9 761
CIS (Russia)	275	195	-58	412	4 968	174	331	5 472
EMEA (Finland)	1 225	1 294	392	2 910	1 580	1 113	745	3 438
APAC (Asia-Pacific)	162	889	368	1 419	1 244	745	542	2 531
LAM (South America)	12 177	1 300	673	14 149	381	965	172	1 518
<b>TOTAL</b>	<b>31 962</b>	<b>9 831</b>	<b>2 892</b>	<b>44 684</b>	<b>24 443</b>	<b>8 261</b>	<b>4 111</b>	<b>36 815</b>

	1.1.–31.3.2024	1.1.–31.3.2023	1.1.–31.12.2023
<b>NUMBER OF PERSONNEL</b>			
<b>Employed at March 31, persons</b>			
Workers	235	240	249
Office staff	540	493	505
<b>TOTAL</b>	<b>775</b>	733	754
Personnel working abroad	241	221	247
<b>Effective, on average, persons</b>			
Workers	234	216	244
Office staff	538	491	505
<b>TOTAL</b>	<b>772</b>	707	749
Personnel working abroad, effective, on average	241	200	240
<b>On average, persons</b>			
Workers	227	237	246
Office staff	544	514	509
<b>TOTAL</b>	<b>770</b>	751	754
Personnel working abroad, on average	236	236	240

#### EXCHANGE RATES USED IN THE CONSOLIDATION OF SUBSIDIARIES

<b>Income statement euros</b>	1.1.–31.3.2024	1.1.–31.3.2023	1.1.–31.12.2023
CNY (Chinese yuan)	7.8052	7.3408	7.6591
RUB (Russian rouble)	98.6293	80.137	92.8571
CAD (Canadian dollar)	1.4639	1.4508	1.4596
USD (US dollar)	1.0858	1.073	1.0816
SGD (Singapore dollar)	1.4552333	1.429967	1.4523
CLP (Chilean peso)	1027.55	870.3633	907.9625
IDR (Indonesian rupiah)	17005.8267	16300.19	17079.71
<b>Balance sheet euros</b>	31.3.2024	31.3.2023	31.12.2023
CNY (Chinese yuan)	7.8144	7.4763	7.8509
RUB (Russian rouble)	99.874	84.227	98.596
CAD (Canadian dollar)	1.4672	1.4737	1.4642
USD (US dollar)	1.0811	1.0875	1.105
SGD (Singapore dollar)	1.4587	1.4464	1.4591
CLP (Chilean peso)	1062.84	859.92	979.4
IDR (Indonesian rupiah)	17157.87	16300.19	17079.71

<b>KEY FIGURES</b>	<b>31.3.2024</b>	<b>31.3.2023</b>	<b>31.12.2023</b>
Change in net sales, %	<b>21.4</b>	-10.8	-8.2
EBITDA	<b>2.9</b>	2.0	6.8
EBITDA, %	<b>6.4</b>	5.4	4.6
Comparable EBITDA, EUR million	<b>3.0</b>	2.8	9.3
Comparable EBITDA, %	<b>6.7</b>	7.7	6.4
Operating profit, EUR million	<b>1.5</b>	0.9	1.9
Operating profit, % of net sales	<b>3.3</b>	2.3	1.3
Return on investment (ROI), %	<b>16.4</b>	13.9	6.6
Return on equity (ROE), %	<b>13.0</b>	7.7	4.4
Interest-bearing net liabilities, EUR million	<b>-34.3</b>	-0.9	-39.4
Gearing, %	<b>-86.8</b>	-3.7	-102.7
Equity ratio, %	<b>49.7</b>	41.4	50.2
Gross capital expenditure, EUR million	<b>0.4</b>	0.9	4.5
% of net sales	<b>0.9</b>	2.4	3.1
Research and development costs, EUR million	<b>1.4</b>	1.3	5.2
% of net sales	<b>3.2</b>	3.5	3.6
Order book, EUR million	<b>259</b>	121	266
Order intake, EUR million	<b>36</b>	67	315



<b>SHARE-RELATED DATA</b>	<b>31.3.2024</b>	<b>31.3.2023</b>	<b>31.12.2023</b>
Earnings per share (EPS), undiluted EUR	<b>0.20</b>	0.10	0.22
Earnings per share (EPS), diluted EUR	<b>0.19</b>	0.10	0.22
Equity to share, EUR	<b>6.45</b>	5.23	6.92
Dividend per series A share, EUR	-	-	0.10
Dividend per series K share, EUR	-	-	-
Dividend per profit, %	-	-	45.45
Effective dividend return, %	-	-	1.02
Price/earnings ratio (P/E ratio)	-	-	44.73
<b>Development in share price (series A shares)</b>			
Lowest share price for the period, EUR	<b>9.88</b>	7.70	8.02
Highest share price for the period, EUR	<b>11.80</b>	9.75	11.30
Average share price for the period, EUR	<b>10.88</b>	8.84	9.30
Share price at the end of the period, EUR	<b>10.25</b>	9.18	9.84
<b>Market value of capital stock</b>			
Series K shares, MEUR*	-	9.6	-
Series A shares, MEUR*	-	31.7	-
<b>Total, MEUR</b>	<b>62.8</b>	41.4	60.2

\* The consolidation of the share series was registered in the Trade Register on April 3, 2023. Series K shares are valued at the end-of-period price of the Series A share.

<b>SHARE-RELATED DATA</b>	<b>31.3.2024</b>	<b>31.3.2023</b>	<b>31.12.2023</b>
<b>Trading of the company's shares (series A shares)</b>			
Shares traded during the period, pcs	<b>197 665</b>	192 216	993 127
Shares traded during the period, MEUR	<b>2.1</b>	1.8	9.4
<b>Total number of share</b>			
Series K ordinary shares (20 votes/share), adjusted number of shares**	-	1 045 727	-
Series A shares (1 vote/share), adjusted number of shares**	-	3 452 168	-
<b>Total</b>	<b>6 122 679</b>	4 497 896	6 122 679
** The consolidation of the share series was registered in the Trade Register on April 3, 2023.			
Issue-adjusted average number of shares, 1000 pcs	<b>6 123</b>	4 498	5 550
Issue-adjusted average number of shares diluted, 1 000 pcs	<b>6 204</b>	4 511	5 597
<b>NUMBER OF SHAREHOLDER</b>	<b>6 382</b>	5 823	6 275

## DEVELOPMENT OF QUARTERLY RESULTS

EUR 1 000	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Rolling 1.4.2023-31.3.2024	Rolling 1.4.2022-31.3.2023
<b>NET SALES</b>	<b>29 338</b>	<b>34 041</b>	<b>45 223</b>	<b>44 684</b>	<b>153 286</b>	<b>153 865</b>
<b>Change in inventories of finished goods and work in progress</b>	<b>307</b>	<b>-1631</b>	<b>1 165</b>	<b>478</b>	<b>319</b>	<b>-4 868</b>
<b>Other operating income</b>	<b>3</b>	<b>46</b>	<b>363</b>	<b>11</b>	<b>423</b>	<b>437</b>
Materials and services	-12 148	-13 888	-21 622	-22 963	-70 621	-82 591
Employee benefits expense	-12 047	-10 829	-15 861	-14 122	-52 859	-52 569
Depreciation and amortization	-1 114	-1 334	-1 329	-1 401	-5 178	-4 845
Other operating expenses	-5 363	-5 015	-7 282	-5 221	-22 881	-21 753
<b>Total operating expenses</b>	<b>-30 672</b>	<b>-31 066</b>	<b>-46 094</b>	<b>-43 707</b>	<b>-151 539</b>	<b>-161 758</b>
<b>OPERATING RESULT</b>	<b>-1 024</b>	<b>1 390</b>	<b>656</b>	<b>1 466</b>	<b>2 488</b>	<b>-12 325</b>
<b>% of net sales</b>	<b>-3.5</b>	<b>4.1</b>	<b>1.5</b>	<b>3.3</b>	<b>1.6</b>	<b>-8.0</b>
Financial income	36	668	-108	437	1 033	1 635
Financial expenses	-197	-382	-18	-287	-884	-1 194
<b>Financial expenses, net</b>	<b>-161</b>	<b>286</b>	<b>-125</b>	<b>151</b>	<b>151</b>	<b>441</b>
<b>RESULT BEFORE TAX</b>	<b>-1 185</b>	<b>1 676</b>	<b>531</b>	<b>1 617</b>	<b>2 639</b>	<b>-11 883</b>
<b>% of net sales</b>	<b>-4.0</b>	<b>4.9</b>	<b>1.2</b>	<b>3.6</b>	<b>1.7</b>	<b>-7.7</b>
Income taxes	387	-639	133	-351	-639	2 035
<b>TOTAL RESULT FOR THE PERIOD</b>	<b>-799</b>	<b>1 037</b>	<b>666</b>	<b>1 266</b>	<b>2 169</b>	<b>-9 848</b>
<b>% of net sales</b>	<b>-2.7</b>	<b>3.0</b>	<b>1.5</b>	<b>2.8</b>	<b>1.4</b>	<b>-6.4</b>
<b>FINANCIAL DEVELOPMENT QUARTERLY</b>	<b>Q2/2023</b>	<b>Q3/2023</b>	<b>Q4/2023</b>	<b>Q1/2024</b>	<b>Rolling 1.4.2023-31.3.2024</b>	<b>Rolling 1.4.2022-31.3.2023</b>
Order intake during the period, EUR million	112	19	118	36	285	169
Order book at the end of the period, EUR million	202	192	266	259	259	121

**20 LARGEST SHAREHOLDERS AT MARCH 31, 2024, BY NUMBER OF SHARES**

	Combined series shares pcs	% of total shares and voting rights %
1. Sundholm Göran	756 250	12.4%
2. Laakkonen Mikko Kalervo	172 225	2.8%
3. Mandatum Henkivakuutusosakeyhtiö	132 574	2.2%
4. Stephen Industries Inc Oy	129 687	2.1%
5. Relander Pär-Gustaf	123 700	2.0%
6. Suominen Pekka Matias	117 329	1.9%
7. Siivonen Osku Pekka	106 901	1.7%
8. eQ Pohjoismaat Pienyhtiö	106 000	1.7%
9. Kirmo Kaisa Marketta	105 421	1.7%
10. Sijoitusrahasto eQ Suomi	105 000	1.7%
11. Mustakallio Mika Tapani	103 678	1.7%
12. Keskiaho Kaija Leena	101 659	1.7%
13. Suominen Tiina Sini-Maria	100 163	1.6%
14. Särkijärvi Anna Riitta	98 986	1.6%
15. EAI Raute Holding Oy*	92 252	1.5%
16. Mininvest Oy	74 991	1.2%
17. Suominen Jussi Matias	74 626	1.2%
18. Keskinäinen työeläkevakuutusyhtiö Varma	74 608	1.2%
19. Mustakallio Marja Helena	71 144	1.2%
20. Särkijärvi Timo Juha	66 307	1.1%
<b>Total</b>	<b>2 713 501</b>	<b>44.3%</b>

Due to the combination of share series implemented in the 2023 financial year, each share has equal voting rights, so there are the same number of shares and votes, and thus the shares and votes of the largest owners are equal.

\*Evli Alexander Incentives has ownership and holds voting rights in EAI Raute Holding Oy. However, based on the agreement, Raute exercises actual decision-making power in the arrangement and acts as the principal while EAI acts in the role of an agent through the holding company. Based on this control arising from the contractual features, the holding company is combined to the consolidated financial statements as a structured community.

**MANAGEMENT'S SHAREHOLDING AND NOMINEE-REGISTERED SHARES AT MARCH 31, 2024**

	Combined series shares pcs	% of total shares and voting rights %
<b>Management's holding at March 31, 2024</b>		
The Board of Directors The Group's President and CEO and Executive Board*	<b>227 377</b>	3.7
<b>TOTAL</b>	<b>227 377</b>	<b>3.7</b>
*The figures include the holdings of their own minor children and control entities.		
<b>Nominee-registered shares at March 31, 2024</b>	<b>166 020</b>	<b>2.7</b>

#### FURTHER INFORMATION

Mr. Mika Saariaho, President and CEO, tel. +358 40 154 9393  
Mr. Ville Halttunen, CFO, tel. +358 50 346 0868

#### BRIEFING

A briefing will be organized for analysts, investors and the media on May 3, 2024, at 2:00 p.m. at Scandic Simonkenttä Hotel, Simonkatu 9, Helsinki, Finland. The report is presented by President and CEO Mika Saariaho and CFO Ville Halttunen. The presentation language is Finnish. The event can also be followed online via Teams. Link will be sent to those who have registered by email; registrations at [ir@raute.com](mailto:ir@raute.com). The event will be recorded, and the recording can be viewed on Raute's website at [www.raute.com](http://www.raute.com) on May 7, 2024, at the latest.

#### FINANCIAL CALENDAR IN 2024

Raute will publish its financial results in 2024 as follows:

- Half-year financial report January–June on Thursday, August 8, 2024
- Interim report January–September on Thursday, October 31, 2024

#### RAUTE IN BRIEF - Making Wood Matter

*Raute is the partner to future-proof the wood industry. Our technologies cover different production processes with supporting digital and analytics solutions for engineered wood products. Additionally, we offer a full-scale service concept ranging from spare parts to regular maintenance and modernizations. Our innovative hardware and software solutions are designed to support our customers' efficient consumption of natural resources. In mill-scale projects, Raute is a global market leader both in the plywood and LVL industries. Raute's head office and main production plant are located in Lahti, Finland. The company's other production plants are located in Kajaani, Finland, the Vancouver area of Canada, Changzhou, China, and in Pullman, WA, USA. Raute's net sales in 2023 were EUR 145.4 million. The Group's headcount at the end of 2023 was 754. More information about the company can be found at [www.raute.com](http://www.raute.com).*



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