

INTERIM REPORT

January 1–September 30, 2024

RAUTE CORPORATION — INTERIM REPORT JANUARY 1–SEPTEMBER 30, 2024

Strong profitability in the third quarter

July–September 2024

- Order intake was EUR 15 million (19)
- Order book was EUR 186 million (192) at the end of the reporting period
- Net sales were EUR 46.4 million (34.0)
- Comparable EBITDA was EUR 6.3 million (3.0), representing 13.5% (8.8%) of net sales
- Operating profit was EUR 4.8 million (1.4)
- Earnings per share were EUR 0.73 (0.16)
- Equity ratio was 54.3% (55.4%)

January–September 2024

- Order intake was EUR 72 million (197)
- Net sales were EUR 148.1 million (100.2)
- Comparable EBITDA was EUR 14.7 million (6.6), representing 9.9% (6.6%) of net sales
- Operating profit was EUR 10.2 million (1.2)
- Earnings per share were EUR 1.48 (0.11)

CEO'S REVIEW:

Solid operational execution in Wood Processing and yet another good quarter in Services

Raute reached strong profitability in the third quarter as we continued solid operational execution in Wood Processing and our Services business had yet another good quarter. In the past couple of years, we have put great emphasis on developing our operational and commercial capabilities, and this is clearly paying off now.

The market environment remained challenging, and consequently our order intake was still at a modest level. Although there were some weak signals of market recovery earlier this year, it now seems that customers have postponed their investment plans well into 2025. Nevertheless, we have strong and long-term relationships with our customers, and I am convinced we are able to capture new business opportunities when the cycle turns. Our solid order book, which remains nearly at last year's level, offers a buffer against the current uncertain business environment.

In terms of new order intake, the Services business was once again a bright spot, while the Wood Processing and Analyzers businesses suffered from the challenging market environment. To adjust capacity and achieve cost savings we have conducted change negotiations on possible temporary layoffs in certain parts of our delivery organization in those two units in Finland. The extent and duration of temporary layoffs depend on the development of new order intake and its impact on the workload.

In the third quarter, Raute's net sales increased by 36.2% to EUR 46.4 million and comparable EBITDA reached a quarterly record of EUR 6.3 million, representing a margin of 13.5%. This was the first time we exceeded our long-term target of a 12% margin over the cycle since the introduction

of our strategy in March 2023. We achieved this seasonally strong profitability through improved operational efficiency and solid progress in project deliveries. Consequently, earlier in October we raised our 2024 guidance for comparable EBITDA.

Our performance in the reporting period was yet another proof point that we are on track to reach our long-term financial targets. We have the capabilities to deliver large mill-sized projects successfully and utilize digitalization to create new opportunities in engineered wood products segments. We will continue the implementation of Raute's growth strategy with determination.

Mika Saariaho
President and CEO

GUIDANCE STATEMENT FOR 2024 (Updated on October 22, 2024)

Raute's 2024 net sales are expected to be between EUR 190–210 million and comparable EBITDA between EUR 17–21 million.

Rationale for the new guidance on October 22, 2024

Raute's strong order backlog has supported the positive business development despite the continued challenging market environment. Raute's project deliveries and services business have progressed better than anticipated, which has led to positive profit development during the third quarter. Therefore, Raute raises its guidance for profit and updates its guidance on net sales for the full year.

Previous guidance statement

Raute's 2024 net sales are expected to be between EUR 185–210 million and comparable EBITDA between EUR 13–17 million.

FINANCIAL PERFORMANCE JULY–SEPTEMBER 2024

Order intake and order book

The total order intake was EUR 15 million (19) and included mainly after-sales services, modernizations and upgrades and value-added machinery for veneer manufacturing processes. The order book decreased by EUR 37 million from the previous quarter and amounted to EUR 186 million (192) at the end of the period.

Order intake is composed of 40% (48%) from Europe, 43% (33%) from North America, 6% (5%) from Asia–Pacific and 11% (14%) 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 in the third quarter.

Net sales

Net sales amounted to EUR 46.3 million (34.0), showing an increase of 36.2% from the comparison period. This was driven by the continued solid progress in project deliveries in the Wood Processing business and high demand in the Services business.

Sales increased by 49.9% in Wood Processing and 24.5% in Services, while decreased by 7.9% in Analyzers.

Europe accounted for 61% (40) of net sales, North America for 25% (31), South America for 11% (16), Asia-Pacific for 3% (3) and Russia for 0% (10). Russia's share of sales during the comparison period was based on the adjustments from renegotiations with customers and the limits set by the sanctions

Result and profitability

Comparable EBITDA was EUR 6.3 million (3.0) and comparable EBITDA margin was 13.5% (8.8%). The increase was driven by improved efficiency through higher volumes as well as the control of fixed costs.

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

EBITDA was EUR 6.2 million (2.7). Items affecting comparability (IACs) in EBITDA totaled EUR -0.1 million (-0.3).

The operating profit was EUR 4.8 million (1.4).

The result before taxes was EUR 5.2 million (1.7). The result for the reporting period was EUR 4.5 million (1.0), earnings per share were EUR 0.73 (0.16) and diluted earnings per share were EUR 0.71 (0.16).

FINANCIAL PERFORMANCE JANUARY-SEPTEMBER 2024

Business environment

The global demand for the end-user products of Raute's customers remained low due to the downturn in the construction markets. This has especially impacted the demand for softwood plywood in the third quarter. Lower interest rates have not yet had a positive impact on the housing market. While there were some weak signals of market recovery earlier this year, the market consensus now seems to be that a wider market recovery will be postponed well into 2025.

The demand for hardwood plywood and LVL (laminated veneer lumber) has remained more stable, and the demand for special applications in niche market segments like vehicle manufacturing or LNG (liquid natural gas) vessels has strengthened the demand for birch plywood. The European birch plywood market demand is also supported by the EU sanctions against the entry of Russian birch plywood into the European market.

Raute's customers have actively requested technical support for their investment plans, which may indicate increasing investment activity next year. These plans are focusing on higher auto-

mation levels, enabling savings in manpower as well as an increase in production capacity in the longer run.

Order intake and order book

The total order intake was EUR 72 million (197) and included an order worth EUR 20 million from AmberBirch from Latvia for the technology delivery of a birch veneer production plant expansion.

Order intake is composed of 61% (53%) from Europe, 25% (17%) from North America, 6% (2%) from Asia-Pacific and 8% (29%) from South America.

Net sales

Net sales amounted to EUR 148.1 million (100.2), showing an increase of 47.8% from the comparison period. This was driven by the solid progress in project deliveries in the Wood Processing business and high demand in the Services business.

Sales increased by 67.6% in Wood Processing and 34.2% in Services, while decreased by 18.3% in Analyzers.

Europe accounted for 48% (41) of net sales, North America for 25% (29), South America for 24% (10), Asia-Pacific for 3% (7) and Russia for 0% (13). During the comparison period Russia's share of sales was based on the adjustments from renegotiations with customers and the limits set by the sanctions.

Result and profitability

Comparable EBITDA was EUR 14.7 million (6.6) and comparable EBITDA margin was 9.9% (6.6%). The increase was driven by improved efficiency through higher volumes as well as the control of fixed costs.

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

EBITDA was EUR 14.3 million (4.8). Items affecting comparability (IACs) in EBITDA totaled EUR -0.4 million (-1.8).

The operating profit was EUR 10.2 million (1.2).

Net financial items were EUR 1.1 million (0.1), where the increase was primarily driven by higher interest income.

The result before taxes was EUR 11.4 million (1.3). The result for the reporting period was EUR 9.2 million (0.7), earnings per share were EUR 1.48 (0.11) and diluted earnings per share were EUR 1.45 (0.11).

BUSINESS UNIT REVIEWS

Wood Processing

EUR million	7-9/2024	7-9/2023	Change %	1-9/2024	1-9/2023	Change %	2023
Net sales	32.2	21.5	49.9%	106.0	63.3	67.6%	92.4
Comparable EBITDA	3.7	0.5	691.7%	8.0	-0.3		-0.5
Comparable EBITDA, %	11.5%	2.2%		7.6%	-0.5%		-0.5%

July–September 2024 compared with July–September 2023

Net sales increased by 49.9% to EUR 32.2 million (21.5). The increase was driven by solid progress in the deliveries of mill-sized projects as well as a good amount of modernization project deliveries. The comparison period was negatively impacted by the implementation of the new ERP system at Raute's main plant in Lahti.

Comparable EBITDA amounted to EUR 3.7 million (0.5) as a result of improved efficiency through higher volumes.

January–September 2024 compared with January–September 2023

Net sales increased by 67.6% to EUR 106.0 million (63.3). The increase was driven by solid progress in the deliveries of mill-sized projects and deliveries of modernization projects scheduled for the summertime. The comparison period was negatively impacted by the implementation of the new ERP system at Raute's main plant in Lahti.

Comparable EBITDA amounted to EUR 8.0 million (-0.3) as a result of higher volumes.

Services

EUR million	7-9/2024	7-9/2023	Change %	1-9/2024	1-9/2023	Change %	2023
Net sales	9.9	8.0	24.5%	30.5	22.7	34.2%	33.0
Comparable EBITDA	1.9	1.8	5.1%	5.6	3.3	66.9%	4.9
Comparable EBITDA, %	18.9%	22.4%		18.3%	14.7%		14.7%

July–September 2024 compared with July–September 2023

Net sales increased by 24.5% to EUR 9.9 million (8.0). The demand for services remained strong across all service operations, and particularly for on-site services.

Comparable EBITDA was EUR 1.9 million (1.8). Profitability was positively impacted by the increased sales.

January–September 2024 compared with January–September 2023

Net sales increased by 34.2% to EUR 30.5 million (22.7). Global demand for services remained strong across all business lines with North America demonstrating slightly stronger performance compared to other market areas.

Comparable EBITDA was EUR 5.6 million (3.3). Profitability was positively impacted by the increased sales.

Analyzers

EUR million	7-9/2024	7-9/2023	Change %	1-9/2024	1-9/2023	Change %	2023
Net sales	4.2	4.6	-7.9%	11.6	14.2	-18.3%	20.0
Comparable EBITDA	0.7	0.7	-4.1%	1.1	3.6	-70.6%	4.9
Comparable EBITDA, %	16.6%	15.9%		9.1%	25.2%		23.4%

July–September 2024 compared with July–September 2023

Net sales decreased by 7.9% to EUR 4.2 million (4.6). The decline was due to the low level of new orders.

Comparable EBITDA was EUR 0.7 million (0.7). Efficiency improvements had a positive impact on the result, offset by the decrease in sales.

January–September 2024 compared with January–September 2023

Net sales decreased by 18.3% to EUR 11.6 million (14.2). The decline was due to the low level of new orders and the timing of revenue recognition related to mill-scale orders.

Comparable EBITDA was EUR 1.1 million (3.6). The decrease in profitability was due to lower sales. Profitability in the comparison period was also positively impacted by the release of provisions related to the winding down of Russian operations.

CASH FLOW AND FINANCING

Operating cash flow in January–September 2024 was EUR 10.3 (28.8) million. The cash flow during the comparison period was positively impacted by a change in net working capital. Cash flow from investment activities totaled EUR -1.3 (-3.6) million, and cash flow from financing activities was EUR -1.9 (7.7) million. Cash and cash equivalents amounted to EUR 55.2 (40.5) million at the end of the reporting period.

The Group's financial position has remained at a strong level. At the end of the reporting period, gearing was -105.8% (-80.3%) and the equity ratio was 54.3% (55.4%).

Interest-bearing net liabilities amounted to EUR -49.5 million (-30.7) 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 in January–September 2024 totaled EUR 1.5 million (3.4) and accounted for 1.0% (3.4%) 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 MillsIGHTS 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.

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 of Directors at Raute. Charges have been pressed against several people. 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 received information, 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.

Raute initiates change negotiations on possible temporary layoffs

On September 3, 2024, Raute announced that it will initiate change negotiations on possible temporary layoffs of up to 90 days in the Analyzers and Wood Processing business units in Finland. Raute's market environment in 2024 has been challenging in the Analyzers and Wood Processing business units, and thus the new order intake has been at a modest level during 2024. Consequently, the estimated workload towards the end of the year will clearly decrease in certain parts of the delivery organization.

The potential layoffs would be implemented in the remaining months of 2024 and the first half of 2025. The extent and duration of temporary layoffs depend on the development of the new order intake.

The composition of Raute's Shareholders' Nomination Board

On September 3, 2024, Raute announced the composition of the Shareholders' Nomination Board. Pekka Suominen (directly and indirectly by proxies), Göran Sundholm and Kustaa Poutiainen (appointed by Stephen Industries Inc.) were appointed to Raute Corporation's Shareholders' Nomination Board. Laura Raitio, the Chair of the Board of Directors of Raute, serves as an expert in the Nomination Board without being a member.

According to the charter of the Shareholders' Nomination Board, the Chairperson of the Board of Directors requested Raute's three largest shareholders as of August 31, 2024, to appoint a member to the Nomination Board. The third, the fourth and the fifth largest shareholders decided to waive their right to nominate a member to the Nomination Board.

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–September 2024, the Group's research and development costs amounted to EUR 4.0 million (3.8), representing 2.7% of net sales (3.8%).

PERSONNEL AND OCCUPATIONAL SAFETY

At the end of the reporting period, the Group's headcount was 789 (745). Personnel outside of Finland accounted for 29.9% (32.2%) of all employees. In full-time-equivalent terms, the average number of employees during the reporting period was 782 (695).

Occupational safety continues to be the focus of the management, and safety-related metrics have demonstrated a longer-term downward trend. In January–September 2024, there were 7 (7) lost-time injuries. The accident frequency (LTIF, rolling 12 months) was 7.4, decreasing slightly 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 September 30, 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 unwav-

ering 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 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 September 30, 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 6,389 at the end of the reporting period (6,275 on December 31, 2023). On September 30, 2024, Raute and its subsidiaries held 96,011 (0) own shares for reward purposes, corresponding to 1.6% of all outstanding shares.

Share trading

Share trading volume in January–September 2024 totaled 763,371 shares, corresponding to EUR 9.1 million. The highest trading price was EUR 14.00 and the lowest was EUR 9.88. The closing price at the end of the review period was EUR 12.60, and the market value based on the closing price was approximately EUR 77.1 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.

GOVERNANCE

Annual General Meeting 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.

Further details and the full release on the resolutions are available at [Decisions of Raute Corporation's Annual General Meeting 2024 - Raute](#).

Establishment of Audit and People Committees

On May 3, 2024, Raute announced that its Board of Directors had decided to establish an Audit Committee and a People Committee to support the work of the Board of Directors. In appointing the members of the committees, the Board of Directors has considered the expertise and experience required for the task.

At its constitutive meeting, the Board of Directors elected Mikko Kettunen as the Chair of the Audit Committee, and Jenni Virnes, Joni Bask and Julius Manni were elected as members of the Audit Committee.

Laura Raitio was elected as a Chair of the People Committee and Ari Harmaala and Ari Piik as members of the People Committee.

EVENTS AFTER THE REPORTING PERIOD

On October 22, 2024, Raute updated its guidance regarding net sales and profitability.

Raute's 2024 net sales are expected to be between EUR 190–210 million and comparable EBITDA between EUR 17–21 million.

Rationale for the new guidance on October 22, 2024

Raute's strong order backlog has supported the positive business development despite the continued challenging market environment. Raute's project deliveries and services business have progressed better than anticipated, which has led to positive profit development during the third quarter. Therefore, Raute raises its guidance for profit and updates its guidance on net sales for the full year.

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 changes in 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 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. Raute may also experience increasing competitive pressures, while executing its strategy.

Raute is exposed to the risk of losing key personnel, and difficulties in hiring new talent to address new business challenges.

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–September 30, 2024 to be published.

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

CONSOLIDATED STATEMENT OF INCOME

EUR 1 000	Note	1.7.–30.9. 2024	1.7.–30.9. 2023	1.1.–30.9. 2024	1.1.–30.9. 2023	1.1.–31.12. 2023
NET SALES	4	46 373	34 041	148 108	100 193	145 416
Change in inventories of finished goods and work in progress		-1 173	-1 631	575	-2 309	-1 143
Other operating income		36	46	57	278	641
Materials and services		-19 592	-13 888	-75 442	-41 406	-63 029
Employee benefits expense		-13 768	-10 829	-42 898	-36 384	-52 246
Depreciation and amortization		-1 370	-1 334	-4 073	-3 588	-4 917
Other operating expenses		-5 694	-5 015	-16 100	-15 562	-22 860
Total operating expenses		-40 424	-31 066	-138 512	-96 940	-143 052
OPERATING RESULT		4 812	1 390	10 227	1 222	1 863
Financial income		461	668	1 666	1 048	940
Financial expenses		-90	-382	-520	-990	-1 008
Financial expenses net		371	286	1 147	58	-67
RESULT BEFORE TAX		5 183	1 676	11 374	1 279	1 795
Income taxes		-718	-639	-2 215	-595	-445
RESULT FOR THE PERIOD		4 465	1 037	9 158	684	1 350
Result for the period attributable to Equity holders of the Parent company		4 465	1 037	9 158	684	1 350
Earnings per share for profit attributable to Equity holders of the Parent company EUR						
Undiluted earnings per share		0.73	0.16	1.48	0.11	0.22
Diluted earnings per share		0.71	0.16	1.45	0.11	0.22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	1.7.–30.9. 2024	1.7.–30.9. 2023	1.1.–30.9. 2024	1.1.–30.9. 2023	1.1.–31.12. 2023
RESULT FOR THE PERIOD	4 465	1 037	9 158	684	1 350
Other comprehensive income items					
Items that will not be reclassified to profit or loss					
Changes in the fair value of financial assets att fair value through other comprehensive income	-219	-	-219	-260	-260
Items that may be subsequently reclassified to profit or loss					
Hedging reserve hedge accounting	334	-518	6	-354	19
Exchange differences on translating foreign operations	-383	-144	-163	-390	-398
Income taxes related to these items	-	-	-	-	-
Comprehensive income items for the period net of tax	-268	-662	-376	-1 004	-639
COMPREHENSIVE RESULT FOR THE PERIOD	4 197	415	8 782	-320	711
Comprehensive profit for the period attributable to					
Equity holders of the Parent company	4 197	415	8 782	-320	711

CONSOLIDATED BALANCE SHEET

EUR 1 000	Note	30.9.2024	30.9.2023	31.12.2023
ASSETS				
Non-current assets				
Goodwill	6	1 714	1 714	1 714
Other intangible assets	7,8	10 130	10 745	11 035
Property plant and equipment	7,8	8 772	9 774	9 600
Right of use assets		5 634	6 636	6 482
Other financial assets		496	1 022	753
Deferred tax assets		4 386	5 185	5 566
Total non-current assets		31 132	35 076	35 151
Current assets				
Inventories		26 292	21 726	26 369
Accounts receivables and other receivables		29 318	31 258	25 779
Income tax receivable		32	37	1
Cash and cash equivalents		55 237	40 528	48 105
Total current assets		110 878	93 548	100 254
TOTAL ASSETS		142 010	128 624	135 405

CONSOLIDATED BALANCE SHEET

EUR 1 000		30.9.2024	30.9.2023	31.12.2023
EQUITY AND LIABILITIES				
Equity attributable to Equity holders of the Parent company				
Share capital		8 256	8 256	8 256
Own shares		-950	-	-950
Fair value reserve and other reserves		19 735	18 927	19 526
Exchange differences		378	793	541
Retained earnings		7 162	6 615	6 678
Result for the financial year		9 158	684	1 350
Total equity attributable to Equity holders of the Parent company		43 739	35 276	35 401
Convertible junior loan		3 000	3 000	3 000
Total equity		46 739	38 276	38 401
Non-current liabilities				
Deferred tax liability		0	46	33
Lease liability		4 479	5 754	5 334
Provisions		498	39	563
Total non-current liabilities		4 977	5 840	5 930
Current liabilities				
Provisions		1 993	1 646	1 783
Lease liability	9, 10	1 305	1 320	1 289
Current advance payments received		55 966	59 481	58 860
Income tax liability		2 002	1 613	1 974
Trade payables and other liabilities		29 027	20 448	27 168
Total current liabilities		90 294	84 509	91 074
Total liabilities		95 270	90 348	97 004
TOTAL EQUITY AND LIABILITIES		142 010	128 624	135 405

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1 000

1.1.–30.9.2024

1.1.–30.9.2023

1.1.–31.12.2023

CASH FLOW FROM OPERATING ACTIVITIES

Proceeds from customers	143 387	128 260	179 455
Other proceeds from operating activities	57	14	-
Payments to suppliers and employees	-133 001	-100 070	-141 980

Cash flow before financial items and taxes

Interest paid from operating activities	-11	-69	-75
Dividends received from operating activities	360	280	416
Interest received from operating activities	1 207	480	823
Other financing items from operating activities	-658	-115	-554
Income taxes paid from operating activities	-1 007	34	543

Net cash flow from operating activities (A)

10 334	28 814	38 628
--------	--------	--------

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of property plant and equipment and intangible assets	-1 461	-3 367	-4 486
Proceeds from sale of property plant and equipment and intangible assets	188	30	60
Purchased shares in subsidiaries	-	-231	60

Net cash flow from investing activities (B)

-1 273	-3 568	-4 426
--------	--------	--------

CASH FLOW FROM FINANCING ACTIVITIES

Directed share issue and rights issue	-	13 944	13 944
Convertible junior loan	-	3 000	3 000
Expenses for share issues and junior loan	-176	-1 545	-1 631
Repurchase of own shares	-43	-	-950
Repayments of current borrowings	-	-6 729	-6 729
Repayments of lease liability	-1 122	-956	-1 284
Dividends paid	-603	-	-

Net cash flow from financing activities (C)

-1 944	7 714	6 350
--------	-------	-------

Net change in cash and cash equivalents (A+B+C)

7 118	32 960	40 552
-------	--------	--------

increase (+)/decrease (-)

Cash and cash equivalents at the beginning of the reporting period*

48 105	7 618	7 618
--------	-------	-------

Net change in cash and cash equivalents

7 118	32 960	40 552
-------	--------	--------

Effects of exchange rate changes on cash

14	-50	-65
----	-----	-----

Cash and cash equivalents at the end of the period*

55 237	40 528	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
EQUITY at January 1, 2024	8 256	18 205	-950	1 321	541	8 028	35 401	3 000	38 401
Comprehensive result for the period									
Result for the period	-	-	-	-	-	9 158	9 158	-	9 158
Other comprehensive income items:									
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-	-219	-	-	-219	-	-219
Hedging reserve	-	-	-	6	-	-	6	-	6
Exchange differences on translating foreign operations	-	-	-	-	-163	-	-163	-	-163
Income taxes related to these items	-	-	-	-	-	-	-	-	0
Total comprehensive result for the period	0	0	0	-213	-163	9 158	8 782	0	8 782
Convertible junior loan	-	-	-	-	-	-263	-263	-	-263
Transactions with owners									
Share rewards	-	-	-	423	-	-	423	-	423
Dividends paid	-	-	-	-	-	-603	-603	-	-603
Total transactions with owners	0	0	0	423	0	-866	-444	0	-444
EQUITY at September 30, 2024	8 256	18 205	-950	1 530	378	16 320	43 739	3 000	46 739

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	Convertible junior loan	TOTAL EQUITY
EQUITY at January 1, 2023	8 256	5 711	1 034	939	6 956	22 897	-	22 897
Comprehensive result for the period								
Result for the period	-	-	-	-	684	684	-	684
Other comprehensive income items:								
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-260	-	-	-260	-	-260
Hedging reserve	-	-	-354	-	-	-354	-	-354
Exchange differences on translating foreign operations	-	-	-	-390	-	-390	-	-390
Income taxes related to these items	-	-	0	-	-	-	-	0
Total comprehensive items after taxes	0	0	-614	-390	684	-320	-	-320
Convertible junior loan	-	-	-	-	-229	-229	3 000	2 771
Transactions with owners								
Net proceeds from directed share issue and rights issue	-	12 531	-	-	-	12 531	-	12 531
Share rewards	-	-	397	-	-	397	-	397
Dividends paid	-	-	-	-	-	-	-	-
Total transactions with owners	0	12 531	397	0	-229	12 699	-	15 699
EQUITY at September 30, 2023	8 256	18 242	817	549	7 411	35 276	3 000	38 276

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–September 30, 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–September 30, 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 Piiik to be re-elected as members of the Board of Directors, and Mikko Ket-tunen, 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. More information in the Note part 2.

On February 20, 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 m³/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.

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 influence 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.

The Annual General Meeting of Raute Corporation was held on April 4, 2024. Details and the full release on the resolutions are available at [Decisions of Raute Corporation's Annual General Meeting 2024 - Raute](#).

On May 3, 2024, Raute's Board of Directors announced the decision to establish an Audit Committee and a People Committee to support the work of the Board of Directors. In appointing the members of the committees, the Board of Directors considered the expertise and experience required for the task. At its constitutive meeting, the Board of Directors elected Mikko Kettunen as the Chair of the Audit Committee and Jenni Virnes, Joni Bask and Julius Manni were elected as members of the Audit Committee. Laura Raitio was elected as a Chair of the People Committee and Ari Harmaala and Ari Piik as members of the People Committee.

On June 19, 2024, Raute updated its guidance regarding net sales and profit. New guidance for 2024: Raute's 2024 net sales are expected to be between EUR 185–210 million and comparable EBITDA to be between EUR 13–17 million.

On August 16, 2024, Raute announced that the Board of Directors has approved a merger plan according to which the company's fully owned subsidiary Hiottu Oy will be merged into Raute Corporation. The merger is expected to take place on 31 December 2024.

On September 3, 2024, Raute announced that the company initiates change negotiations on possible temporary layoffs of up to 90 days in the Analyzers and Wood Processing business units in Finland.

On September 3, 2024, Raute announced the composition of the Shareholder's Nomination Board. The appointed members are Pekka Suominen (directly and indirectly by proxies), Göran Sundholm and Kustaa Poutiainen (appointed by Stephen Industries Inc.). Laura Raitio, the Chair of the Board of Directors of Raute, serves as an expert in the Nomination Board without being a member.

Events after the end of the reporting period

On October 22, 2024, Raute updated its guidance regarding net sales and profit. New guidance for 2024: Raute's 2024 net sales are expected to be between EUR 190–210 million and comparable EBITDA between EUR 17–21 million.

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.-30.9. 2024	1.1.-30.9. 2023	1.1.-31.12. 2023
Salaries and remunerations of the President and CEO			
Mika Saariaho President and CEO			
Salaries and other short-term employee benefits	414	227	306
Post-employment benefits	74	46	56
Share-based benefits	120	-	-
TOTAL	608	273	362
Remuneration of the Parent company's Board of Directors			
Members of the Board of Directors			
Raitio Laura, Chair of the Board of Directors	36	36	48
Mustakallio Mika, Vice-Chair of the Board of Directors until April 4, 2024	8	18	24
Bask Joni, Board member (Vice-Chair from April 4, 2024)	18	18	24
von Essen Patrick, Board member until April 4, 2024	8	18	24
Harmaala Ari, Board member	18	18	24
Perttula Petri, Board member until April 4, 2024	8	18	24
Piik Ari, Board member	18	18	24
Kettunen Mikko, Board member from April 4, 2024	10	-	-
Manni Julius, Board member from April 4, 2024	10	-	-
Virnes Jenni, Board member from April 4, 2024	10	-	-
TOTAL	144	144	192
Group Executive Board's employee benefits			
Salaries and other short-term employee benefits	930	830	1 072
Post-employment benefits	167	170	195
Share-based benefits	14	-	-
TOTAL	1 111	1 000	1 267

On September 30, 2024 the **Board of Directors, the Group's President and CEO and the Group's Executive Board held** altogether 125 185 shares which represented 2.0 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 owner-

ship 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 423 thousand. At the end of the reporting period, EUR 1,021 thousand was allocated to the equity item from the share-based incentive plans in force.

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. At the end of the reporting period, the Group had three customers, whose customized share of the Group's net sales exceeded ten percent.

EUR 1 000	1.7.-30.9. 2024	%	1.7.-30.9. 2023	%	1.1.-30.9. 2024	%	1.1.-30.9. 2023	%	1.1.-31.12. 2023	%
Net sales by market area										
EMEA (Europe and Africa excluding Finland)	21 141	46	10 401	31	53 535	36	31 913	32	44 649	31
EMEA (Finland)	7 160	15	3 033	9	18 513	12	9 149	9	43 980	30
NA (North America)	11 514	25	10 684	31	36 893	25	28 869	29	13 430	9
CIS (Russia)	-	-	3 455	10	413	0	12 714	13	13 123	9
LAM (South America)	5 312	11	5 607	16	35 021	24	10 277	10	9 015	6
APAC (Asia-Pacific)	1 247	3	861	3	3 732	3	7 272	7	21 218	15
TOTAL	46 373	100	34 041	100	148 108	100	100 193	100	145 416	100

EUR 1 000	1.7.-30.9.2024	1.7.-30.9.2023	1.1.-30.9.2024	1.1.-30.9.2023	31.12.2023
Specification of net sales					
Performance obligations to be satisfied over time	34 822	24 591	112 780	72 524	103 791
Performance obligations to be satisfied at a point in time	11 551	9 450	35 328	27 669	41 626
TOTAL	46 373	34 041	148 108	100 193	145 416

NOTE 5

EUR 1 000

	1.7.-30.9.2024	1.7.-30.9.2023	1.1.-30.9.2024	1.1.-30.9.2023	31.12.2023
RESEARCH AND DEVELOPMENT COSTS					
Research and development costs for the financial period*	-1 241	-576	-3 780	-3 290	-4 567
Amortization of previously capitalized research and development costs**	-166	-162	-498	-485	-648
Development costs recognized as an asset in the balance sheet	251	-	326	-	-
Research and development costs recognized as an expense for the period	-1 156	-738	-3 952	-3 775	-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

	30.9.2024	30.9.2023	31.12.2023
OTHER INTANGIBLE ASSETS			
Acquisition cost at the beginning of the reporting period	23 178	19 959	20 087
Exchange rate differences	0	-9	-139
Additions	766	2 446	3 265
Deductions	-	-36	-36
Reclassification between items	-	-	-
Acquisition cost at the end of the reporting period	23 944	22 361	23 178
Accumulated depreciation and amortization at the beginning of the reporting period	-12 143	-10 571	-10 699
Exchange rate differences	0	9	139
Accumulated depreciation of deductions and transfers	-	-	-
Value decrease	-	-	-
Depreciation and amortization for the financial year	-1 670	-1 053	-1 583
Accumulated depreciation and amortization at the end of the reporting period	-13 813	-11 616	-12 143
Book value of Other intangible assets at the beginning of the reporting period	11 035	9 388	9 388
Book value of Other intangible assets at the end of the reporting period	10 130	10 745	11 035
NOTE 7			
PROPERTY PLANT AND EQUIPMENT			
Acquisition cost at the beginning of the reporting period	67 733	67 369	67 357
Exchange rate differences	-97	-550	-450
Additions	695	902	1 221
Disposals	-174	-291	-394
Reclassification between items	-	-	-
Acquisition cost at the end of the reporting period	68 158	67 431	67 733
Accumulated depreciation and amortization at the beginning of the reporting period	-51 652	-48 671	-48 660
Exchange rate differences	39	76	127
Reclassifications between items	-	-	-
Depreciation and amortization for the reporting period	-2 139	-2 426	-3 119
Accumulated depreciation and amortization at the end of the reporting period	-53 752	-51 021	-51 652
Book value of Property, plant and equipment, at the beginning of the reporting period	16 083	18 698	18 698
Book value of Property, plant and equipment, at the end of the reporting period	14 406	16 409	16 083

NOTE 8

EUR 1 000

	30.9.2024	30.9.2023	31.12.2023
RIGHT-OF-USE ASSETS			
Book value at the beginning of the reporting period	6 482	7 456	7 456
Exchange rate difference	-53	-409	-234
Increases	283	560	560
Disposals	-81	-47	-47
Depreciation for the financial year	-997	-924	-1 253
Book value at the end of the reporting period	5 634	6 636	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. During the second quarter of 2024, Raute extended its bank guarantee and credit limit facility agreement. After extension, the facility is valid until 2026, with one year extension option.

The overdraft limit was not in use at the period ending September 30, 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) 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 September 30, 2024, the fair value of the financial assets categorized at fair value hierarchy level 3 was EUR 113 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 57 thousand. The Group's interest-bearing liabilities include a lease liability amount of EUR 5,784 thousand at the end of the period.

EUR 1 000	Carrying amount 30.9.2024	Carrying amount 30.9.2023	Carrying amount 31.12.2023
Carrying amounts of financial assets			
Financial assets at fair value through profit or loss			
- Derivative contracts		-	-
Financial assets at fair value through other comprehensive income			
- Unquoted share investments	113	365	365
Financial assets at amortized cost			
- Account receivables and other receivables	6 571	4 846	7 033
- Cash and cash equivalents	55 237	40 528	48 105
Total	61 921	45 738	55 503

EUR 1 000	Level 1	Level 2	Level 3	Total
Hierarchy levels				
Financial assets at fair value through other comprehensive income				
- Unquoted share investments	-	-	113	113
Financial assets at fair value through profit or loss				
- Derivative contracts	-	-	-	-
Total	-	-	113	113

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	30.9.2024	30.9.2023	31.12.2023
OTHER FINANCIAL ASSETS			
Unquoted share investments	113	365	365
Total	113	365	365

NOTE 10

EUR 1 000

30.9.2024 30.9.2023 31.12.2023
CURRENT INTEREST-BEARING LIABILITIES
Financial liabilities recognized at amortized cost

Partial payments of financial loans	-	-	-
Account limit used	-	-	-
TOTAL	-	-	-

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

EUR 1 000	Carrying amount 30.9.2024	Carrying amount 30.9.2023	Carrying amount 31.12.2023
Carrying amounts of financial liabilities			
Financial liabilities at fair value through profit or loss			
- Derivative contracts	57	173	-24
Financial liabilities recognized at amortized cost			
- Financial loans	-	-	-
- Account limit	-	-	-
- Trade payables and other liabilities	14 688	7 769	11 734
- Accrued expenses and prepaid income	-	-	-
Total	14 745	7 941	11 710

EUR 1 000

Level 1 Level 2 Level 3 Total

Financial liabilities at fair value through profit or loss				
- Derivative contracts	-	57	-	57
Total	-	57	-	57

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

	30.9.2024	30.9.2023	31.12.2023
DERIVATIVES			
Nominal values of forward contracts in foreign currency			
Hedge accounting			
- Related to the hedging of net sales	12 709	22 328	18 993
Derivatives which do not meet the criteria of hedge accounting			
- Related to financing	-	-2 832	-2 715
- Related to the hedging of net sales	-	-	-
Fair values of forward contracts in foreign currency			
Hedge accounting			
- Related to the hedging of net sales	66	-344	95
Derivatives which do not meet the criteria of hedge accounting			
- Related to financing	-	87	-24
- Related to the hedging of net sales	-	-	-

NOTE 12

EUR 1 000

	30.9.2024	30.9.2023	31.12.2023
PLEDGED ASSETS AND CONTINGENT LIABILITIES			
Mortgage agreements			
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
Mortgage agreements on behalf of subsidiaries			
Financial loans	-	-	-
Other obligations	-	-	-
Other credit guarantee arrangements	-	-	-
Commercial bank guarantees on behalf of the Parent company and subsidiaries	30 287	11 424	12 047
Off-balance sheet leases			
Rental liabilities maturing within one year	340	277	274
Rental liabilities maturing in one to five years	357	335	307
Total	697	612	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	1.7.-30.9. 2024	1.7.-30.9. 2023	1.1.-30.9. 2024	1.1.-30.9. 2023	1.1.-31.12. 2023
SEGMENT INFORMATION					
Wood Processing					
Net sales	32 239	21 502	106 036	63 285	92 386
EBITDA	3 643	311	7 797	-1 677	-2 289
Comparable EBITDA	3 705	474	8 028	-319	-450
Services					
Net sales	9 926	7 973	30 490	22 727	33 024
EBITDA	1 855	1 724	5 507	3 070	4 440
Comparable EBITDA	1 875	1 783	5 583	3 346	4 863
Analyzers					
Net sales	4 207	4 566	11 581	14 181	20 006
EBITDA	684	690	996	3 418	4 629
Comparable EBITDA	698	722	1 051	3 571	4 859
SEGMENTS TOTAL					
Net sales	46 373	34 041	148 108	100 193	145 416
EBITDA	6 182	2 725	14 300	4 811	6 781
Comparable EBITDA	6 278	2 979	14 662	6 598	9 273

COMPARABLE EBITDA ACCORDING TO THE SEGMENT SPLIT

	1.7.-30.9.2024				1.7.-30.9.2023			
EUR 1 000	Wood Processing	Services	Analyzers	Group total	Wood Processing	Services	Analyzers	Group total
EBITDA	3 643	1 855	684	6 182	311	1 724	690	2 725
Items affecting comparability	62	21	14	97	163	59	32	254
COMPARABLE EBITDA	3 705	1 875	698	6 278	474	1 783	722	2 979

	1.1.-30.9.2024				1.1.-30.9.2023			
EUR 1 000	Wood Processing	Services	Analyzers	Group total	Wood Processing	Services	Analyzers	Group total
EBITDA	7 797	5 507	996	14 300	-1 677	3 070	3 418	4 811
Items affecting comparability	230	76	56	362	1 358	276	153	1 787
COMPARABLE EBITDA	8 028	5 583	1 051	14 662	-319	3 346	3 571	6 598

COMPARABLE EBITDA

EUR 1000	1.7.-30.9.2024	1.7.-30.9.2023	1.1.-30.9.2024	1.1.-30.9.2023
Comparable EBITDA	6 278	2 979	14 662	6 598
Items affecting comparability:				
Costs related to controlled exit of Russian business	-36	-52	-87	-81
Restructuring costs	-	-	-	-722
Costs related to new ERP system	-61	-202	-275	-984
Total items affecting comparability	-97	-254	-362	-1 787
EBITDA	6 182	2 725	14 300	4 811
Depreciations	-1 370	-1 335	-4 073	-3 588
Operating result	4 812	1 390	10 227	1 222
Financing expenses net	371	286	1 147	58
Result before tax	5 183	1 675	11 374	1 279

NET SALES ACCORDING TO THE SEGMENT SLIP

1.7.-30.9.2024					1.7.-30.9.2023			
EUR 1 000	Wood Processing	Services	Analyzers	Total	Wood Processing	Services	Analyzers	Total
Net sales by market area								
EMEA (Europe and Africa excluding Finland)	17 535	2 647	958	21 141	7 004	1 933	1 464	10 401
NA (North America)	6 372	3 786	1 355	11 514	6 628	3 043	1 014	10 684
CIS (Russia)	-	-	-	-	3 070	288	97	3 455
EMEA (Finland)	4 589	1 591	980	7 160	1 157	969	907	3 033
APAC (Asia-Pacific)	311	535	401	1 247	-61	315	607	861
LAM (South America)	3 432	1 367	513	5 312	3 705	1 426	477	5 607
TOTAL	32 239	9 926	4 207	46 373	21 502	7 973	4 566	34 041

1.1.-30.9.2024					1.1.-30.9.2023			
EUR 1 000	Wood Processing	Services	Analyzers	Total	Wood Processing	Services	Analyzers	Total
Net sales by market area								
EMEA (Europe and Africa excluding Finland)	41 857	8 539	3 139	53 535	22 840	5 954	3 119	31 913
NA (North America)	22 482	11 520	2 891	36 893	16 839	8 592	3 438	28 869
CIS (Russia)	276	196	-58	413	10 735	687	1 292	12 714
EMEA (Finland)	11 849	4 108	2 557	18 513	3 449	2 994	2 705	9 149
APAC (Asia-Pacific)	417	2 367	948	3 732	3 734	1 578	1 960	7 272
LAM (South America)	29 156	3 761	2 104	35 021	5 688	2 922	1 667	10 277
TOTAL	106 036	30 490	11 581	148 108	63 285	22 727	14 181	100 193

NUMBER OF PERSONNEL

	1.1.–30.9.2024	1.1.–30.9.2023	1.1.–31.12.2023
Employed at September 30, persons			
Workers	242	243	249
Office staff	547	502	505
TOTAL	789	745	754
Personnel working abroad	236	240	247
Effective, on average, persons			
Workers	237	214	244
Office staff	545	481	505
TOTAL	782	695	749
Personnel working abroad, effective, on average	238	188	240
On average, persons			
Workers	238	242	246
Office staff	547	506	509
TOTAL	785	748	754
Personnel working abroad, on average	238	236	240

EXCHANGE RATES USED IN THE CONSOLIDATION OF SUBSIDIARIES

Income statement, euros	1.1.–30.9.2024	1.1.–30.9.2023	1.1.–31.12.2023
CNY (Chinese yuan)	7.8238	7.6215	7.6591
RUB (Russian rouble)	97.8971	90.9858	92.8571
CAD (Canadian dollar)	1.4781	1.4577	1.4596
USD (US dollar)	1.087	1.0835	1.0816
SGD (Singapore dollar)	1.4539	1.4523	1.4523
CLP (Chilean peso)	1018.8222	889.36	907.9625
IDR (Indonesian rupiah)	17247.7844	16383.62	17079.71
Balance sheet, euros	30.9.2024	30.9.2023	31.12.2023
CNY (Chinese yuan)	7.8511	7.7352	7.8509
RUB (Russian rouble)	103.413	102.029	98.596
CAD (Canadian dollar)	1.5133	1.4227	1.4642
USD (US dollar)	1.1196	1.0594	1.105
SGD (Singapore dollar)	1.4342	1.4443	1.4591
CLP (Chilean peso)	1000.17	957.29	979.4
IDR (Indonesian rupiah)	17020.23	16838.62	17079.71

KEY FIGURES	30.9.2024	30.9.2023	31.12.2023
Net sales, EUR million	148.1	100.2	145.4
Change in net sales, %	47.8	-11.0	-8.2
EBITDA, EUR million	14.3	4.8	6.8
EBITDA, %	9.7	4.8	4.6
Comparable EBITDA, EUR million	14.7	6.6	9.3
Comparable EBITDA, %	9.9	6.6	6.4
Operating profit, EUR million	10.2	1.2	1.9
Operating profit, % of net sales	6.9	1.2	1.3
Return on investment (ROI), %	31.1	6.3	6.6
Return on equity (ROE), %	29.2	3.0	4.4
Interest-bearing net liabilities, EUR million	-49.5	-30.7	-39.4
Gearing, %	-105.8	-80.3	-102.7
Equity ratio, %	54.3	55.4	50.2
Gross capital expenditure, EUR million	1.5	3.4	4.5
% of net sales	1.0	3.4	3.1
Research and development costs, EUR million	4.0	3.8	5.2
% of net sales	2.7	3.8	3.6
Order book, EUR million	186	192	266
Order intake, EUR million	72	197	315

SHARE-RELATED DATA

	30.9.2024	30.9.2023	31.12.2023
Earnings per share (EPS), undiluted, EUR	1.48	0.11	0.22
Earnings per share (EPS), diluted, EUR	1.45	0.11	0.22
Equity to share, EUR	7.66	6.25	6.92
Dividend per share, EUR	-	-	0.10
Dividend per profit, %	-	-	45.45
Effective dividend return, %	-	-	1.02
Price/earnings ratio (P/E ratio)	-	-	44.73
Development in share price			
Lowest share price for the period, EUR	9.88	8.02	8.02
Highest share price for the period, EUR	14.00	11.30	11.30
Average share price for the period, EUR	11.85	9.17	9.30
Share price at the end of the period, EUR	12.60	9.06	9.84
Market value of capital stock			
Shares, MEUR	77.1	55.5	60.2

SHARE-RELATED DATA

	30.9.2024	30.9.2023	31.12.2023
Trading of the company's shares			
Shares traded during the period, pcs	763 371	705 363	993 127
Shares traded during the period, MEUR	9.0	6.6	9.4
Total number of shares			
Shares (1 vote/share)	6 122 679	6 122 679	6 122 679
NUMBER OF SHAREHOLDERS			
Issue-adjusted average number of shares, 1000 pcs	6 123	5 357	5 550
Issue-adjusted average number of shares diluted, 1 000 pcs	6 333	5 392	5 597
	6 389	6 271	6 275

DEVELOPMENT OF QUARTERLY RESULTS

EUR 1 000	Q4/2023	Q1/2024	Q2/2024	Q2/2024	Rolling 1.10.2023- 30.9.2024	Rolling 1.10.2022- 30.6.2023
NET SALES	45 223	44 684	57 051	46 373	193 331	145 878
Change in inventories of finished goods and work in progress	1 165	478	1 270	-1 173	1 740	-3 507
Other operating income	363	11	10	36	420	390
Materials and services	-21 622	-22 963	-32 887	-19 592	-97 064	-65 008
Employee benefits expense	-15 861	-14 122	-15 008	-13 768	-58 759	-49 504
Depreciation and amortization	-1 329	-1 401	-1 302	-1 370	-5 402	-4 800
Other operating expenses	-7 282	-5 221	-5 184	-5 694	-23 381	-21 732
Total operating expenses	-46 094	-43 707	-54 381	-40 424	-184 606	-109 978
OPERATING RESULT	656	1 466	3 949	4 812	10 883	1 717
% of net sales	1.5	3.3	6.9	10.4	5.6	1.2
Financial income	-108	437	768	461	1 558	2 687
Financial expenses	-18	-287	-143	-90	-538	-1 807
Financial expenses, net	-125	151	625	371	1 022	880
RESULT BEFORE TAX	531	1 617	4 574	5 183	11 905	2 597
% of net sales	1.2	3.6	8.0	11.2	6.2	1.8
Income taxes	133	-351	-1 147	-718	-2 083	-544
TOTAL RESULT FOR THE PERIOD	666	1 266	3 427	4 465	9 824	2 053
% of net sales	1.5	2.8	6.0	9.6	5.1	1.4
FINANCIAL DEVELOPMENT QUARTERLY	Q4/2023	Q1/2024	Q2/2024	Q3/2024	Rolling 1.10.2023- 30.9.2024	Rolling 1.10.2022- 30.9.2023
Order intake during the period, EUR million	118	36	20	15	174	225
Order book at the end of the period, EUR million	266	259	223	186	186	192

20 LARGEST SHAREHOLDERS AT SEPTEMBER 30, 2024, BY NUMBER OF SHARES

	Shares pcs	% of total shares and voting rights %
1. Sundholm Göran Wilhelm	756 250	12.4 %
2. Laakkonen Mikko Kalervo	172 225	2.8 %
3. eQ Finland Investment Fund	134 368	2.2 %
4. Mandatum Life Insurance Company Ltd.	132 574	2.2 %
5. Stephen Industries Inc Oy	129 687	2.1 %
6. Suominen Pekka Matias	117 329	1.9 %
7. Siivonen Osku Pekka	106 901	1.8 %
8. Kirmo Kaisa Marketta	105 421	1.7 %
9. eQ Nordic Small Cap Mutual Fund	104 630	1.7 %
10. Mustakallio Mika Tapani	103 678	1.7 %
11. Keskiaho Kaija Leena	101 659	1.7 %
12. Särkijärvi Anna Riitta	98 986	1.6 %
13. Suominen Tiina Sini-Maria	98 213	1.6 %
14. Eai Raute Holding Oy	96 011	1.6 %
15. Suominen Jussi	74 626	1.2 %
16. Varma Mutual Pension Insurance Company	74 608	1.2 %
17. Relander Pär-Gustaf	72 700	1.2 %
18. Mustakallio Marja Helena	71 144	1.2 %
19. Särkijärvi Timo Juha	66 307	1.1 %
20. Mustakallio Kari Pauli	57 700	0.9 %
Total	2 675 017	43.7%

**MANAGEMENT'S SHAREHOLDING AND NOMINEE-REGISTERED SHARES
AT SEPTEMBER 30, 2024**

	Shares pcs	% of total shares and voting rights %
Management's holding at September 30, 2024		
The Board of Directors The Group's President and CEO and Executive Board*	125 185	2.0
TOTAL	125 185	2.0
*The figures include the holdings of their own minor children and control entities.		
Nominee-registered shares at September 30, 2024		
	344 472	5.6

* 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.

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 October 31, 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 English. 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. The event will be recorded, and the recording can be viewed on Raute's website at www.raute.com on November 4, 2024, at the latest.

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.



RAUTE CORPORATION

Rautetie 2
P.O. Box 69
15551 Nastola Finland
Tel. +358 3 829 11

firstname.lastname@raute.com
info@raute.com

www.raute.com

