



# FINANCIAL STATEMENTS 2024



## REPORT OF THE BOARD OF DIRECTORS

**The Group's net sales in 2024 totalled EUR 204.6 million (EUR 145.4 million), an increase of 40.7 percent from the previous year. The Group's operating profit for 2024 was EUR 13.7 million (EUR 1.9 million), and accounted 6.7 percent (1.3%) of net sales. The Group's financial income and expenses totalled EUR 1.4 million (EUR -0.1 million). The Group's profit before taxes was EUR 15.1 million (EUR 1.8 million). The result for the financial year was EUR 12.1 million (EUR 1.4 million). The Group's comprehensive income was EUR 11.6 million (EUR 0.7 million). Undiluted earnings per share were EUR 1.96 (EUR 0.22) and diluted earnings per share were EUR 1.91 (EUR 0.22). Return on equity was 27.5 percent (4.4%).**

*The Company publishes alternative performance measures (APMs). These performance measures are not defined in accordance with IFRS but provide complementary information to investors and company management about the company's financial position and development. In this report two APMs are presented: Comparable EBITDA and EBITDA. The APMs definitions can be found in the tables section of this report.*

*In this report, the figures presented in parentheses refer to the corresponding figures for the previous financial years 2023 and 2022.*

### 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. Declining interest rates have not yet had a positive impact on the housing market.

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 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.

The presidential election in the USA postponed certain investment decisions of Raute's North American customers, and that impact is still visible. Public statements regarding new tariffs to be imposed by the US administration have caused additional instability in the market. The war in Ukraine continues to impact the market sentiment in Europe, and the increased geopolitical tension is causing turbulence in the Asia-Pacific region and China.

Overall, the recent developments have had a negative impact on the investment activity of Raute's customers worldwide. Our customers continue to be in a wait-and-see mode in relation to making firm investment decisions. It now seems that a wider recovery in Raute's markets is postponed well into 2025.

### Update of the Russia business wind-down

Raute drove down its Russian operations during 2022 and 2023. At the end of 2023, Raute decided to terminate its Russian subsidiary Raute Service LLC. Since the beginning of 2024, Raute has no longer had employees in Russia. However, at the end of 2024, the company's liquidation is still ongoing. The liquidation is expected to be completed during 2025. Raute Service LLC's external assets have been substantially written down in the financial statements as of December 31, 2024.

### Order intake and order book

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 full-scale service concepts 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.

The total order intake was EUR 121 million (315) and included an order worth EUR 20 million from Latvian AmberBirch for the technology delivery of a birch veneer production plant expansion. Order intake is composed of 67% (65) from Europe, 19% (15) from North America, 5% (2) from Asia-Pacific and 9% (19) from South America. Strong fluctuations in the distribution of new orders between the various market areas are typical for project-focused business.

New orders in the Wood Processing business unit decreased from the record level in the comparison period. New orders in the Services business unit increased from the previous year. New orders in the Analyzers business unit decreased from the previous year. The challenging market environment affected the order intake.

The order book amounted to EUR 184 million (266) at the end of the reporting period.

### Competitive position

Raute's competitive position has remained unchanged and is strong. Raute's solutions help customers secure their delivery and service capabilities throughout the life cycle of the production process or a part thereof. Raute's solutions also offer the markets the most environmentally friendly production process, thanks to the efficient use of raw materials and additives and low energy consumption. Raute's overall expertise and extensive and diverse technology offering play an important role when customers select their cooperation partners. Raute's long-term dedication to serving selected customer industries also enhance its credibility and improve its competitive position as a company that carries out long-term investment projects.

### Net sales

The Group's net sales (IFRS) EUR 204.6 million (2023: EUR 145.4 million; 2022: EUR 158.3 million) increased by 40.7 percent from the previous year. This was driven by the solid progress in project deliveries in the Wood Processing business and high demand in the Services business.

Net sales of the Wood Processing business unit totalled EUR 147.2 million (EUR 92.4 million), an increase of 59.3 percent from the previous year. Net sales of the Services business unit totalled EUR 42.1 million (EUR 33.0 million) and the Analyzers business unit EUR 15.3 million (EUR 20 million).

Of the 2024 net sales, Europe accounted for 56 percent (40%), North America 22 percent (30%), South America 19 percent (15%), Asia-Pacific 3 percent (6%) and Russia 0 percent (9%). Net sales from Russia during the comparison period were based on orders that were terminated within the limits set by sanctions.

The parent company Raute Corporation's net sales (FAS) in 2024 were EUR 170.6 million (2023: EUR 108.2 million; 2022: EUR 127.4 million).

### Result and profitability

Comparable EBITDA was EUR 19.8 million (EUR 9.3 million), representing 9.7% (6.4%) of net sales. The increase was driven by improved efficiency through higher volumes as well as the control of fixed costs. Comparable EBITDA improved in the Wood Processing and Services business units but decreased in the Analyzers unit. EBITDA was EUR 19.1 million (EUR 6.8 million). Items affecting comparability in EBITDA amounted to EUR 0.7 million (EUR 2.5 million). They mainly consisted of costs related to the implementation of the new ERP system and the controlled wind-down of the Russian operations, as well as the relocation of the factory to a new site in China in the comparison period.

Operating result was EUR 13.7 million (EUR 1.9 million).

Profit before taxes was EUR 15.1 million (EUR 1.8 million). The result for the period under review was EUR 12.1 million (EUR 1.4 million). Earnings per share were EUR 1.96 (EUR 0.22). Return on investment was 31.0 percent (6.6%) and return on equity was 27.5 percent (4.4%).

The operating result (FAS) of the parent company Raute Corporation was EUR 12.1 million (2023: EUR 0.0 million; 2022: EUR -10.2 million). Operating result was 7.1 percent of net sales (2023: 0.0%; 2022: -8.4%). Profit for the period (FAS) was EUR 10.5 million (2023: EUR -1.5 million; 2022: EUR -8.4 million).

### Cash flow and balance sheet

The Group's financial position strengthened further during the review period due to improved profitability and good cash flow. At the end of the reporting period, gearing was -104.4 percent (-102.7%) and the equity ratio was 55.2 percent (50.2%).

Cash flow from operating activities in January–December 2024 was EUR 14.1 million (EUR 38.6 million). Cash flow from operating activities was improved by improved profitability. Cash flow in the comparison period was particularly strong due to advance payments for mill-size orders received during the period. Cash flow from investing activities was EUR -2.4 million (EUR -4.4 million) and cash flow from financing activities was EUR -2.3 million (EUR 6.4 million).

Cash and cash equivalents at the end of the reporting period amounted to EUR 57.5 million (EUR 48.1 million).

At the end of 2024, the Group's balance sheet total was EUR 136.0 million (2023: EUR 135.4 million; 2022: EUR 92.1 million). Fluctuations in balance sheet working capital items and the key figures based on them are due to differences in the timing of customer payments and the cost accumulation from project deliveries, which is typical of the project business.

Interest-bearing net debt at the end of the reporting period amounted to EUR -51.9 million (EUR -39.4 million).

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

At the end of the financial year, the equity ratio (FAS) of the parent company Raute Corporation was 54 percent (2023: 50%; 2022: 44%).

### Convertible junior loans

Raute agreed on a total of EUR 3 million in convertible junior loans with LähiTapiola and Veritas. The junior loans were drawn on 21.6.2023. The loans are perpetual. The annual floating rate during the first three-year period is 7.50 percent plus the six (6) month EURIBOR rate. The company has an option, but no obligation, to pay the junior loans back after the end of the first interest period on 21 June 2026. The interest rate on loans rises after the first interest period. Junior loans are treated as equity in the Group's financial statements. Junior loans do not confer shareholder rights on their issuers. LähiTapiola and Veritas have the right to convert the remaining principal of the Junior Loan in full, but not in part, into new shares in the Company in one instalment in accordance with the terms and conditions of the option rights related to the Junior Loan. The subscription price of the stock options is EUR 12.69 at the end of the financial year 2024. A maximum of 236,407 new shares in the Company may be subscribed for on the basis of option rights issued to the issuers of junior loans. The dividends paid by the company during the loan period will reduce the subscription price of the stock options by the amount of dividend paid.

### Related party loans and other liabilities

The company has no related party loans. Other liabilities are presented in the notes to the financial statements of this report.

### Research and development costs and capital expenditure

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 R&D activities.

In 2024, the Group's research and development expenses totalled EUR 5.3 million (EUR 5.2 million), representing 2.6 percent of net sales (3.6%).

The total amount of capital expenditure during the reporting period was EUR 2.8 million (EUR 4.5 million), representing 1.4 percent of net sales (3.1%). The renewal of the ERP system continued to be the key investment during the period.

The parent company Raute Corporation's research and development expenses (FAS) during the financial year amounted to EUR 5.0 million, representing 2.9 percent of net sales (2023: EUR 4.8 million / 4.5% of net sales; 2022: EUR 5.6 million / 4.0% of net sales). The capital expenditure of the parent company Raute Corporation totalled EUR 2.3 million (2023: EUR 3.9 million; 2022: EUR 8.0 million).

### Strategy and financial targets

#### Raute – Making Wood Matter

Raute aims to grow Services concept and strengthen 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 percent of the Group
- Comparable EBITDA margin 12 percent on average over cycle
- Capital structure: Equity ratio over 40 percent

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

### Personnel and occupational safety

At the end of 2024, the Group had 783 employees (2023: 754; 2022: 778). Of the personnel, Finnish group companies accounted for 71 percent (68%), North American companies for 18 percent (19%), China for 6 percent (8%) and other sales and service companies for 5 percent (5%).

The number of employees converted into full-time employees (the so-called effective number of employees) was 740 on average during the financial year (2023; 749; 2022: 774). The Group's salaries and remuneration totalled EUR 52.1 million (2023: EUR 44.9 million; 2022: EUR 44.0 million). The figure does not include expenses resulting from the share-based incentive plans.

The Group is committed to investing in the competence development of its personnel in order to commit employees more strongly to the company. Current training needs focus on new processes and systems, as well as ethical business conduct.

Occupational safety continues to be the focus of the management, and safety-related metrics have demonstrated a longer-term downward trend. In 2024, there were 9 (11) lost-time injuries. The LTIF ratio for a rolling 12-month period was 6.0, indicating a decrease from the 2023 level of 7.9. Raute has an ongoing global multi-year safety program that aims to take the company's safety culture and operations to the next level.

*The average number of employees in the parent company Raute Corporation in 2024 was 567 (2023: 513; 2022: 551). The*

*parent company's salaries and remuneration totalled EUR 36.9 million (2023: EUR 31.1 million; 2022: EUR 30.4 million).*

### Remuneration

The Annual General Meeting approved, on April 4, 2024, the Remuneration Report for Governing Bodies proposed by the Board of Directors. The resolution is advisory.

The Group has remuneration systems in place that cover the entire personnel.

### Business risks and uncertainties

#### Economic cycles, legislation or other regulation and political environment

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

Legislation or other regulations, such as sanctions, may affect Raute's business operations and products either directly or indirectly. Raute may also become a party to a dispute. At the end of 2023, Raute terminated all remaining contracts related to projects in Russia. At the moment, Raute is closing its subsidiary Raute Service LLC. However, Raute is still subject to changes in regulation, sanctions and payment transactions, which may prolong the closure process.

#### Operations, deliveries and technology

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 has to take risks relating to the promised performance figures and make estimates of implementation costs. Other significant short-term risks for Raute are related to the price inflation and availability of raw materials, components and freights. Trade union strikes are also a short-term risk for Raute.

Raute invests heavily in product development. The product development phase of new technologies involves a risk that

the project will not lead to a technically or commercially acceptable solution. The functionality and capacity of the new solutions created as a result of the development work can only be fully verified in production conditions in connection with the first customer deliveries.

Raute's goal is to grow its local business in emerging market areas, where operating involves not only opportunities but also risks typical of emerging markets.

### Human resources

Competence retention and development and ensuring the sufficiency of human resources are particularly important in cyclical business. Continuity is ensured by monitoring the development of the age structure, implementing systematic human resources management and investing in well-being at work. Despite the human resources work and processes, Raute is exposed to the risk of losing key personnel, and difficulties in hiring new talent to address new business challenges.

### Financing risks

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

The credit loss risk related to customers' solvency is managed by means of payment terms and by covering the unpaid part of the purchase price with a bank guarantee, letter of credit or other suitable collateral. The Group's liquid assets are mainly held by banks in its largest operating countries, Finland and Canada.

The Group's main currency is the euro. The most significant foreign exchange risks arise from the following currencies: Canadian Dollar (CAD), United States Dollar (USD), and Chinese Yuan (CNY). Currency forward contracts are mainly used for hedging currency risks. Exchange rate risks during the offer period are hedged by using currency clauses in the offers. Currency risks related to preliminary agreements are hedged on a case-by-case basis with currency option contracts.

The financing risks, as well as the risk management objectives and procedures, are described in more detail on page 107 of the notes to the financial statements.

### Cyber and information security, payment fraud

Raute's operations are dependent on the security and stable operation of its information and communications systems and software. Successful cyberattack risk management is also important. These risks are managed in accordance with the information security policy.

Raute is repeatedly targeted by payment fraud attempts. The company has a risk that the fraud company will bypass the control points of payment transactions and cause financial damage to the company.

### Risks of damage or loss

Other risks of injury include occupational safety risks, which are managed through active, risk-preventing activities, such as continuous training of personnel and by investigating all near misses. Occupational safety and ergonomics are areas of continuous development.

Raute's most significant individual property and business interruption risks are fire, serious machine breakdown, and information system breakdown or disruption in the main production unit in Lahti, where the entire Group's key technology production, design, financial and ERP systems are centralized. Preparations have been made for these with backup systems and insurance, for example, but despite preparedness, the realization of such a risk in a serious way could cause significant harm to operations.

Raute is implementing a company-wide ERP system renewal, which will have a direct impact on Raute's day-to-day operations and financial control. The ERP system has been introduced in Finland. The global rollout is planned to continue during 2025. Delays in the implementation of the system or possible challenges in transferring data to the new ERP system could cause significant cost overruns in the implementation of the ERP system and disruptions in customer deliveries, which would also have a negative impact on customer relationships.

Raute's production operations do not have any significant direct environmental impacts. The main production unit in Lahti is located in a groundwater area. A chemical or fuel leak in a groundwater area can cause environmental damage, financial costs and disruption to the company's production operations. The main units in Lahti have an ISO-certified environmental management system, and special attention has been paid to chemical safety. The principles of the environmental man-

agement system are also complied with in other locations, where applicable.

### The reputation of the company

Raute is at risk of unknowingly being involved in a business chain that involves corruption, bribery or money laundering, even though business partners are regularly audited, for example, in connection with international sanctions lists and export restrictions. The realization of these risks may have legal consequences, and the company's reputation and financial position may suffer.

International supply chains may involve actors who do not respect Raute's principles regarding human rights or the fundamental rights of employees. Such cases can lead to reputational damage and interruption of the supply chain if the violation is so significant that the cooperation has to be terminated.

### Shares and shareholders

Raute Corporation's shares are listed on Nasdaq Helsinki Ltd under the ticker RAUTE. All shares carry one vote and equal voting rights at the Annual General Meeting.

Raute's share capital on December 31, 2024 was EUR 8.3 million and the total number of shares was 6,122,679 (December 31, 2023: 6,122,679). According to Euroclear Finland Ltd, the number of shareholders at the end of the review period was 6,533 (6,276).

On December 31, 2024, Raute and its subsidiaries held 96,011 (96,638) shares for remuneration purposes, corresponding to 1.6 percent (1.6) of all outstanding shares.

On 31 December 2024, the shareholding of the Board of Directors, the CEO and the Management Team totalled 125,185 (231,189) of the company's shares, corresponding to 2.0 percent (3.8%) of the total number of shares and voting rights in the company.

### Share trading

Trading volume in January–December 2024 was 1,151,403 (993,127) shares, corresponding to a total turnover of EUR 13.9 (9.4) million. The highest trading price was EUR 14.00 and the lowest EUR 9.88. The average share price during the review period was EUR 12.11. At the end of the reporting period, the closing price was EUR 13.10 and the market value at the closing price was approximately EUR 80.2 million.

The distribution of ownership by sector and by size as well as the largest shareholders are presented in the Financial statements under "Shares and shareholders".

### Audit and sustainability reporting assurance

At Raute Corporation's Annual General Meeting on 4 April 2024, audit firm PricewaterhouseCoopers Oy was elected as the company's auditor, with Authorized Public Accountant (KHT) Mikko Nieminen as the principal auditor.

At Raute Corporation's Annual General Meeting on 4 April 2024, the Authorized Sustainability Auditors PricewaterhouseCoopers Oy was elected as the company's sustainability auditor with Authorized Sustainability Auditor (KRT) Mikko Nieminen as the sustainability auditor with principal responsibility.

### Corporate governance

Raute Corporation complies with the Finnish Corporate Governance Code 2025 for listed companies issued by the Securities Market Association.

### Corporate governance statement

Raute Corporation's Board of Directors has treated Raute Corporation's Corporate Governance Statement 2024 as a separate report in accordance with Chapter 7, Section 7 of the Finnish Securities Markets Act and the Finnish Corporate Governance Code 2025 issued by the Securities Market Association.

### Remuneration report for governing bodies

Raute Corporation's Board of Directors has reviewed Raute Corporation's Remuneration Report for Governing Bodies 2024 in accordance with Chapter 7, Section 7 of the Finnish Securities Markets Act and the Finnish Corporate Governance Code 2025 issued by the Securities Market Association, which will be published in connection with the financial statements.

## Board of Directors and President and CEO

The Annual General Meeting elects the Chair of the Board of Directors, the Vice-Chair and 3–5 members of the Board of Directors.

Seven members were elected to the Board of Directors at Raute Corporation's Annual General Meeting on 4 April 2024. Licentiate of Science (Technology) Laura Raitio was elected as Chair, M.Sc. (Tech.) Joni Bask as Vice Chair, and Ari Harmaala, M.Sc. (Econ.), Ari Piik, M.Sc. (Econ.), Mikko Kettunen, M.Sc. (Econ.), Julius Manni, M.Sc. (Econ.), and Jenni Virnes, M.Sc. (Econ.), were elected as members of the Board of Directors.

The Board of Directors appoints the President and CEO and confirms the terms of their employment and salary benefits.

Mika Saariaho, D.Sc. (Tech.), was appointed as the President and CEO of Raute Corporation as of October 1, 2022. The period of notice agreed in the executive contract is six months, and severance pay is equal to twelve months' salary.

The Articles of Association do not give the Board of Directors or the President and CEO any powers that differ from the usual.

Decisions on amending the Articles of Association and increasing the share capital are made in accordance with the provisions of the Limited Liability Companies Act currently in force.

## Executive board

Markus Sirviö was appointed Executive Vice President, Analyzers on 26 January 2024. Jani Roivainen, who previously held the position, was appointed Executive Vice President, Wood Processing as of 1 January 2024.

Raute Group's Executive Board and the members' areas of responsibility as of December 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 Myyryläinen, 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

## Annual General Meeting 2024

Raute Corporation's Annual General Meeting was held on April 4, 2024. The Annual General Meeting adopted the Financial Statements for 2023, approved the Remuneration Report for Governing Bodies and discharged the members of the Board of Directors and the President and CEO from liability. In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved that a dividend of EUR 0.10 per share be paid for the financial period 1 January–31 December 2023.

The Annual General Meeting elected Laura Raitio, M.Sc. (Tech.), M.Sc. (Tech.) Joni Bask, M.Sc. (Eng.) Ari Harmaala, M.Sc. (Econ.) Ari Piik, M.Sc. (Econ.) Mikko Kettunen, M.Sc. (Econ.), Julius Manni, M.Sc. (Econ.) and Jenni Virnes, M.Sc. (Tech.), to the Board of Directors. Laura Raitio was re-elected as the Chair of the Board and Joni Bask was elected as the Vice Chairman. PricewaterhouseCoopers Oy, Authorised Public Accountants, was re-elected as the company's auditor, with Mikko Nieminen, Authorised Public Accountant, as the principal auditor. The sustainability audit firm PricewaterhouseCoopers Oy was selected as the assurance officer for sustainability reporting, with Mikko Nieminen, D.Sc. (Econ.), as the principal sustainability reporting auditor.

The Annual General Meeting resolved to authorize the Board of Directors to decide on the repurchase of a maximum of 600,000 Raute Corporation shares using the company's unrestricted equity, in which case the repurchases will reduce the company's funds available for profit distribution.

The Annual General Meeting resolved to authorize the Board of Directors to decide on the issuance of shares concerning 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 more tranches. The Board of Directors is authorized to decide on all terms and conditions of the share issue and the issuance of special rights entitling to shares, including the recipients and the amount of any consideration to be paid.

On the basis of the authorization, the Board of Directors may decide to issue either new shares or treasury shares held by the company. The aggregate number of shares to be issued may not exceed 600,000 shares. The shares that may be issued on the basis of the special rights entitling to shares are included in the above-mentioned total number of shares.

Further details: <https://www.raute.com/investors/governance/general-meetings/annual-2024/>

## Profit distribution for the financial year 2023

The Annual General Meeting on 4 April 2024 resolved, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.10 per share will be paid on the basis of the adopted balance sheet for the financial year 2023 by decision of the Annual General Meeting, and the remaining distributable funds will be retained in equity.

## Annual General Meeting 2025

Raute Corporation's Annual General Meeting 2025 will be held on Tuesday, April 15, 2025 at Sibelius Hall in Lahti, starting at 10:00 a.m.

## Board of Directors' proposal concerning the use of profit and payment of dividend

The distributable funds of the parent company Raute Corporation on December 31, 2024 amounted to EUR 40.8 million.

The Board of Directors proposes to the Annual General Meeting to be held on 15 April 2025 that a dividend of EUR 0.55 per share be paid for the financial period 1 January–31 December 2024.

### Events after the reporting period

#### **Raute's fully owned subsidiary Hiottu Oy merged into Raute Corporation**

On January 8, 2025, Raute announced that Hiottu Oy has merged into Raute Corporation on December 2024 as planned. The merge was announced on August 16, 2024.

#### **Charges against a member of the Board of Directors have been dropped**

On January 10, 2025, Raute announced that charges against a member of the Board of Directors of Raute in a Ramirent Oyj related matter have been dropped. According to the information that Raute Corporation has received, the public prosecutor has decided to drop charges related to suspected securities markets offences against Laura Raitio, who is a member of the Board at Raute Corporation. The matter did not relate to Raute Corporation nor have had an effect on the work of the Raute Board.

#### **Proposals of the Shareholders' Nomination Board**

On January 23, 2025, the Shareholders' Nomination Board proposed to the Annual General Meeting 2025 that Raute's Board of Directors would consist of seven members. The Nomination Board proposed that Laura Raitio, Licentiate of Science (Technology), would continue to be elected as the Chair of the Board of Directors and Joni Bask, M.Sc. (Tech.), would continue to be elected as the Vice Chair of the Board of Directors. It is proposed that Ari Harmaala, M.Sc. (Eng.), Mikko Kettunen, M.Sc. (Econ.), Julius Manni, M.Sc. (Econ.), Ari Piik, M.Sc. (Econ.), and Jenni Virnes, M.Sc. (Eng.), be re-elected as members of the Board of Directors.

#### **Share repurchase program**

On February 13, 2025, Raute announced to initiate a share repurchase program based on the authorization received from the Annual General Meeting on April 4, 2024. The purpose of the share repurchase program is to optimize Raute's capital structure through reduction of capital. The repurchase of shares will reduce Raute's unrestricted equity. The repurchased shares will be cancelled. The maximum number of shares to be repurchased is 100,000 shares, corresponding to approximately 1.6% of the total number of shares. A maximum of EUR 1,350,000 will be used for the repurchase of shares. The share repurchase will commence on February 17, 2025, at the earliest and will end no later than August 17, 2025.

#### **Share-based long-term incentive plan for senior management and selected key persons**

On February 19, 2025, Raute announced 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

#### **Guidance statement for 2025**

Raute's 2025 net sales are expected to be between EUR 190–220 million and comparable EBITDA to be between EUR 17–24 million.

## SUSTAINABILITY STATEMENT

### ESRS 2 General disclosures

#### Basis for preparation

#### BP-1 General basis for preparation of sustainability statements

Raute's sustainability report has been prepared in accordance with the requirements laid down in Chapter 7 of the Finnish Accounting Act for sustainability reporting. Raute uses the term sustainability statement for the sustainability report. The sustainability statement reports on Raute's impacts, risks and opportunities related to the environment, society and governance (ESG) in accordance with the European Sustainability Reporting Standards (ESRS). The scope of the sustainability statement is the same as Raute's consolidated financial statements. The sustainability statement covers the impacts of Raute's own operations. The value chain and its upstream and downstream actors have been taken into account in the materiality assessment, and related data will be collected in the coming years, applying the relevant transitional provisions. Raute has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation. The company has not used the option to omit information for undertakings based in an EU member state that allows for the exemption from disclosure of impending developments or matters in the course of negotiation in exceptional cases.

Raute has used the following points of the phased-in disclosure requirements (List of phased-in Disclosure Requirements (EU) 2023/2772, Appendix C):

- ESRS 2 SBM-3, 48e: The company omits the information prescribed by ESRS 2 SBM-3 paragraph 48(e) (anticipated financial effects) for the first year of preparation of its sustainability statement.
- ESRS 1 E1-9: The company omits the anticipated financial effects from material physical and transition risks and potential climate-related opportunities prescribed by ESRS E1-9 for the first year of preparation of its sustainability statement.

- ESRS E5-6: The company omits the anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities for the first year of preparation of its sustainability statement.
- ESRS S1-13: The company omits the specified information on training and skills development for the first year of preparation of its sustainability statement.
- ESRS S1-14: The company omits reporting on non-employees for the first year of preparation of its sustainability statement.

In terms of value chain information, Raute has applied the transitional provisions, which gives the company time to collect data and improve its coverage and reliability. The transitional provisions have also been applied to material sustainability data collected on the value chain especially when it comes to occupational safety data related to non-employees. The collection of data regarding occupational safety matters is addressed in discussions with subcontractors, but the data is always owned by a party engaging in supervisory activities. Raute will report on that data according to availability in the 2025 sustainability statement, in accordance with the transitional provision.

#### BP-2 Disclosures in relation to specific circumstances

In preparing the sustainability statement, Raute follows the definitions presented in ESRS 1 section 6.4 "Definition of short-, medium- and long-term". Some of the material disclosure requirements concerning Raute's own operations and the upstream and downstream value chain still require a lot of additional work before the data can be reported and analyzed. Raute's challenges are related to the availability of data. Many disclosure requirements require data that was not available in the first reporting year. Raute reports on possible shortcomings transparently as part of its sustainability statement. The auditor has verified Raute's sustainability statement at a limited assurance level. Datapoint-level metrics were not validated by another separate assurance provider.

Metrics with a moderate level of measurement uncertainty:

<b>E5: Circular economy</b>	E5-4:
Quantity of materials and waste data	31a
	31b
In relation to each quantitative metric identified:	31c
For information about the sources of uncertainty and assumptions the entity has made in the measurements, see sections E5-4, E5-5.	E5-5:
	37b
	37c
<b>E1: Climate change</b>	37b
Scope 3 emission calculation	51
	52
In relation to each quantitative metric identified:	
Information about the sources of uncertainty and assumptions the entity has made in the measurements. For more information about the scope 3 calculation data sources, assumptions and quality, see section E1-6.	

The grounds for assessment and the sources and indirect sources used in the measurements are elaborated in more detail in the topic-specific sustainability themes. No changes have occurred in the preparation and presentation of sustainability information compared to the previous reporting periods. Raute does not use other generally accepted sustainability reporting standards or frameworks in its sustainability statement. Raute's sustainability reporting covers all the material topics and applies the transitional provisions of Appendix C to some of them. The phased-in disclosure requirements are listed in this standard as part of disclosure requirement BP-1.

#### Governance

#### GOV-1 The role of the administrative, management and supervisory bodies

Raute's operations and approaches are guided by the Code of Conduct. Raute's sustainability work is managed in accordance with internal governance models. This ensures that sustainability is taken into account on all levels of decision-making. Raute's key sustainability governance bodies are the Board of Directors and the Executive Board. The Chief Financial Officer reports on sustainability matters to all supervisory and management bodies. Raute's Audit Committee supervises impact,

risk and opportunity management, assisting the Board of Directors in the matter.

Raute's Board of Directors manages sustainability reporting and ensures that it is comprehensive and transparent. The Raute Executive Board (RxB) monitors the progress of both sustainability reporting and the sustainability roadmap regularly and implements related practices. The Chief Financial Officer updates the Executive Board, the Board of Directors and the Audit Committee on relevant sustainability topics and their progress.

	Number of members	Independent of the company	Gender diversity*
Board of Directors	7	85,7%	40,0%
Audit Committee	4	75%	33,3%
People Committee	3	100%	50%
Executive Board	7	100%	16,7%
ESG Steering Group	16	100%	45,5%

\*amount of women divided by the share of men

### Role of the Board of Directors

Raute Corporation's Board of Directors is responsible for Raute Group's administration and the appropriate organization of its operations. Raute's Board of Directors has seven members, two of which are women and five are men. The Chair of the Board of Directors Laura Raitio and members Ari Harmaala, Ari Piik, Jenni Virnes, Julius Manni and Mikko Kettunen are independent of the company. The Board member Joni Bask is dependent on the company for having served on the company's Board of Directors for more than 10 years. Four Board members own shares in Raute (Raitio, Bask, Piik, Harmaala). The other members do not hold shares in the company. The tasks of the Board of Directors include, among other things, approving Raute's strategy and supervising its implementation, as well as approving the annual plan and the company's financial reports. To make the preparation and management of matters belonging to the Board of Directors more effective, the Board has two committees: the Audit Committee and the People Committee. The Audit Committee monitors and evaluates, among other things, the effectiveness of the company's

risk management practices and processes, reporting processes and sustainability assurance. The Audit Committee's materials are available to the entire Board of Directors. The People Committee prepares, among other things, the principles and implementation of the remuneration and incentive schemes for the Raute Executive Board. In 2024, the Board of Directors approved new values for Raute Group to cascade the company's strategy into the Group's corporate culture.

The Board of Directors is responsible for the management of business risks, including the management of sustainability impacts, risks and opportunities. The Executive Board is responsible for risk assessment. The Board's Audit Committee oversees the implementation of risk assessment. The Board of Directors is also tasked with approving the long-term sustainability strategy and long-term targets and supervising the implementation of sustainability matters. Sustainability topics are reported on to the Board of Directors and the Audit Committee regularly. The Board of Directors has sufficient expertise and collective skills and experience of Raute's sector and the topics related to the business activities and sustainability matters. To ensure that the Board of Directors has sufficient expertise, Raute's Nomination Board takes into account applicable legislation, other applicable regulations and, where applicable, also the principles laid down in the Finnish Corporate Governance Code for listed companies. Raute Corporation's Board of Directors annually evaluates its performance and working methods to develop its activities. Raute Corporation's Board of Directors evaluates the President and CEO's work annually. Raute's Board of Directors, President and CEO and other members of the Executive Board received training in the company's sustainability matters in the reporting period 2024.

### Board Committees

The Board of Directors is assisted by the Audit Committee, which oversees the progress of the sustainability statement and related processes. The Chief Financial Officer reports on sustainability matters to the Audit Committee. The Audit Committee has four members, one of which is a woman and the other three are men. The Audit Committee's members are, in addition to Chair Mikko Kettunen, Jenni Virnes, Joni Bask and Julius Manni. The Board of Directors has taken into account the expertise and experience required for the task when appointing the members of the Audit Committee, in ad-

dition to which the members have strong and diverse skills in the administration and management of a listed company. No specific control measures or procedures were used to manage impacts, risks, and opportunities in 2024. The Audit Committee has supervised particularly the progress of the double materiality assessment and the completion of the sustainability statement. The Audit Committee supervises and addresses the updates related to the double materiality assessment. The Audit Committee started its operations in June 2024.

The Board of Directors is also assisted by the People Committee, which focuses on the appointment, remuneration and successor planning of the President and CEO and the top management. The establishment of the People Committee is based on business needs and the target of developing the company's competitiveness. The People Committee has three members, one of which is a woman and two are men. The Committee is chaired by Laura Raitio, and its members are Ari Harmaala and Ari Piik. The Board of Directors has taken into account the expertise and experience required for the task when appointing the members of the People Committee, in addition to which the members have strong and diverse skills in the administration of a listed company and HR management.

### Role of the President and CEO and the Executive Board

The task of the President and CEO is to manage the Group's business activities and governance in accordance with the Articles of Association, the Finnish Companies Act in force at any given time, and the Board of Directors' instructions. They are accountable to the Board of Directors for the implementation of the targets, plans, procedures and goals set by the Board. The President and CEO serves as the Chair of the Executive Board.

The Raute Executive Board (RxB) assists the President and CEO in managing the Group, preparing the business plans, strategy, policies and other important matters, and in implementing the strategic and operational targets. The Raute Executive Board has seven members, one of which is a woman and the other six are men. Mika Saariaho serves as the President and CEO. Raute's sustainability matters are the responsibility of Chief Financial Officer Ville Halttunen. The other Executive Board members are Kurt Bossuyt, Jari Myyryläinen,

Markus Sirviö, Tarja Moilanen and Jani Roivainen. All Executive Board members are executive members.

The Raute Executive Board both regularly monitors the progress of sustainability actions and activities and is an active party in implementing the sustainability actions. The Executive Board approves the annual plans, interim targets, measures and budget. Sustainability themes and metrics are regularly on the Executive Board's agenda. Raute's functions maintain the global policies for their own areas of responsibility. These policies are reviewed and approved by the Executive Board. Each of the six strategic sustainability priorities has a member of the Executive Board appointed as the person responsible for the topic. The management teams of the business units approve and review business unit level action plans related to targets and resource allocation and implementation plans. The different functions maintain the global policies for their own areas of responsibility. These policies are reviewed and approved by the Executive Board. The Executive Board monitors and assesses business risks regularly and sustainability-related risks as part of the double materiality assessment.

The Executive Board has strong skills in the field of technology and long experience in Raute's products and services. In addition, they have plenty of experience in international business, as Raute has a long track record of international operations when it comes to both manufacturing operations and customer deliveries. The Executive Board members represent two nationalities, and the main language is English. The Raute Executive Board members have broad skills in the various sub-topics of the sustainability themes. The skills of Chief Financial Officer Ville Halttunen are especially focused on the E1 and G1 sustainability themes, and Chief People Officer Tarja Moilanen's skills on the S1 sustainability themes. Kurt Bossuyt has in-depth skills in supply chains and especially the G1 sustainability themes. Mika Saariaho, Jari Myryläinen, Jani Roivainen, Kurt Bossuyt and Markus Sirviö have special skills in customer needs, supply chains, business models, new applications and technologies, research and development, and occupational safety.

In 2024, the skills of Raute's Board of Directors and management were developed through sustainability training. The training focused on the sustainability statement and its roles.

Raute's employees have also been provided with basic sustainability training. In addition, employees have been trained in occupational safety, the Code of Conduct and information security. In 2024, Raute participated in the UNGC's Climate Ambition Accelerator program designed to equip companies with the knowledge and skills they need to accelerate progress towards setting science-based emissions reduction targets aligned with the 1.5°C pathway. In addition, there are other experts in the organization with skills in sustainability matters. Skills are developed through internal and external training.

#### Committees

Operational sustainability actions, such as projects, programs and processes, are managed and implemented by the ESG steering group. Each of Raute's business units is represented in the ESG steering group. Each site's or function's ESG contact person is responsible for data collection, local implementation of the targets, communications and supporting budgeting and resource allocation. The steering group is comprised of five women and eleven men. Of these, twelve persons also have an executive role and four do not. They represent different nationalities. The steering group members have long experience in Raute's operations and skills in the various sub-topics of sustainability. Raute has a long track record of international operations when it comes to both its own operations and customer deliveries.

The ESG steering group is chaired by the Chief Financial Officer. Sustainability-related actions, projects and reporting are managed by the sustainability manager together with the Chief Financial Officer. The ESG steering group addresses relevant sustainability-related topics and prepares materials for the Executive Board's decision-making. The steering group endeavors to convene four times a year. In 2024, the ESG steering group members received training in the company's sustainability matters.

Compliance with the Code of Conduct is monitored by the Ethics team, which is comprised of the Chief People Officer, the Chief Financial Officer and the Sustainability Manager. Two out of the three members are members of the Raute Executive Board. The team secures and oversees the handling of potential reports sent through the whistleblowing channel and their investigations. The Chief People Officer is responsible for the

processes related to the whistleblowing channels together with the Ethics team.

#### **GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**

The Chief Financial Officer updates the Executive Board, the Board of Directors and the Audit Committee on sustainability topics and the progress of the related measures. Sustainability matters were reported to the Audit Committee 5 times during 2024, and regularly in the Executive Board meetings. The Audit Committee's materials were available to the entire Board of Directors. In 2024, the ESG steering group convened three times. In its meetings, the ESG steering group addressed elements of the action plan, the disclosure requirements of sustainability reporting, information related to emission calculation and the contents of new policies.

Raute's administrative, management and supervisory bodies addressed the material impacts, risks and opportunities identified in the double materiality assessment during the reporting period. The 2023 double materiality assessment was updated in 2024 in terms of the material impacts, risks and opportunities. Discussions with internal stakeholders were utilized in the updating. The progress of the work was reported to the Audit Committee and the Executive Board. The Audit Committee's role was to assist the Board of Directors, overseeing the progress of sustainability reporting and the completion of the sustainability statement. The process will be continued as described also in the next reporting period as part of the company's general management process.

The due diligence process and the double materiality assessment (DMA) are key elements in implementing Raute's sustainable development and ESG strategy. The due diligence process and the double materiality assessment are in the process of being implemented as part of the company's management and reporting practices. During 2024, a special focus was on identifying risks and strengthening different structures (channels, policies). Several actions were taken to improve the sustainability of operations, but the effectiveness of the actions cannot be assessed until 2025 when the policies are cascaded.

- The Board approved the results of the materiality analysis. The Board oversaw the progress of the sustainability reporting process through the Audit Committee. The Board approved the long-term sustainability targets in February 2025
- The Raute Executive Board approved the results of the double materiality assessment, which were taken into account when prioritizing business risks, and they fully impacted the work of the Executive Board. As part of the review of the double materiality assessment results, the Executive Board decided on the actions and resources required in the future. The Executive Board also approved four new policies and numerical metrics for the sustainability targets. The double materiality assessment results and the views and expectations of internal stakeholders were used when defining the targets. The numerical metrics for measuring the progress of the sustainability targets were approved by the Executive Board in late 2024 and by the Board of Directors in February 2025.
- In addition to the ESG steering group, the Raute Executive Board has addressed emission calculation, the importance of a transition plan, climate targets, sustainability of the supply chains and the related information needs, the importance of life-cycle calculation, the emphasis on positive ESG impacts in promoting R&D investments, training, regulatory risks, and different actions related to the sustainability statement, such as the implementation of new types of policies. In addition, projects related to ensuring the sustainability of suppliers were addressed.
- Among the social responsibility themes, a lot of attention and resources have been devoted to safety. In terms of the identified HR risks and opportunities, occupational safety matters in particular have been addressed. In addition to the local occupational safety groups, the Executive Board has addressed deviations, work-related injuries, investigation findings and actions related to the improvement and development of the occupational safety culture. In terms of Raute's HR matters, those addressed include, among other things, the new sustainability targets, personnel surveys, company-level HR practices and policies, such as performance and development discussions and the Respect in the Workplace policy and new modern ways of working. The Executive Board also approved the new sustainability criteria to be emphasized for R&D investments.

- Among the identified risks and opportunities related to good governance, the anti-corruption and anti-bribery policies as well as the practices related to the whistleblowing channel were addressed in the meetings of the Executive Board. The cases related to the whistleblowing channel are reported to the President and CEO immediately and to the Audit Committee twice a year.

### **GOV-3 – Integration of sustainability-related performance in incentive schemes**

At Raute, remuneration consists of the basic salary including fringe benefits, profit- and performance-related remuneration (performance-based bonuses), and long-term incentive plans. Raute Group's incentive plans cover the President and CEO, the Executive Board, key persons and the entire personnel. The annual short-term incentives are based on profit and/or personal targets, and they are paid once a year after the adoption of the financial statements. Raute's remuneration principles are based on supporting the growth of the company's value, ensuring leading performance, and sustainability, consistency and competitiveness. The company's long-term incentive plan based on performance, share value and growth includes three 3-year performance periods, the calendar years 2022–2024, 2023–2025 and 2024–2026. The 2021–2023 plan ended and the reward was paid in 2024. The 2021–2023 and 2022–2024 plans are based on the value of the share and sales growth, and the 2023–2025 and 2024–2026 plans on profitability and growth. In addition, the Board of Directors has, in 2022, 2023 and 2024, decided on a restricted share program as a complementary long-term incentive scheme for 2022–2024, 2023–2025, and 2024–2026. Raute Corporation's Board of Directors approved the remuneration policy for governing bodies on February 14, 2024, and the Annual General Meeting on April 4, 2024. The same Annual General Meeting also approved the remuneration report for 2023. Both decisions are advisory.

Raute has incorporated safety as one of the reward metrics for sustainability. The executive team has a safety-related sustainability target based on the Lost Time Injury Frequency (LTIF). Currently, climate-related greenhouse gas (GHG) reduction targets are not included in executive compensation. The LTIF metric accounts for 10% of the weighting in the short-term incentive program for management.

### **GOV-4 – Statement on due diligence**

Raute's due diligence encompasses the identification, assessment and management of risks, stakeholder consultations and the transparency of reporting. In 2024, the focus was on embedding due diligence into the company's key sustainability risk management processes. Sustainability-related risks were addressed at the Executive Board, Audit Committee and ESG steering group levels, with a special focus on identifying risks and strengthening different structures (channels, policies). In 2024, the focus was on identifying risks and strengthening different organizational structures, and embedding due diligence into the company's key sustainability risk management processes. Utilizing the supervisory and administrative structure, Raute will clarify the processes to manage and communicate impacts, risks and opportunities. The double materiality assessment will be integrated into Raute's overall risk assessment process.

Policies and procedures:

- Raute's operations and approaches are guided by the Code of Conduct, the safety policy, the environmental policy, the Respect in the Workplace policy, and the anti-corruption policy.
- The Code of Conduct training is repeated annually with an emphasis on different themes. The theme for 2024 was information security.
- During 2024, a mandatory sustainability course was implemented for the entire personnel.
- The investigation of reports of suspected misconduct is guided by a separately appointed Raute Ethics team.

Management:

- The target for sustainable business and Code of Conduct training coverage is 100%. The training covers annually changing themes.
- The cases related to the whistleblowing channel are reported to the President and CEO immediately and to the Audit Committee twice a year.
- Suspected misconduct can be reported through the whistleblowing channel or other channels, anonymously or under the whistleblower's own name. The electronic whistleblowing channel is also available to Raute's external stakeholders.

**Core elements of due diligence**

CORE ELEMENTS OF DUE DILIGENCE	Sections in the sustainability statement where the information can be found
a) Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none"> <li>• <b>GOV-1</b> The role of the administrative, management and supervisory bodies</li> <li>• <b>GOV-2</b> Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies</li> <li>• <b>GOV-3</b> Integration of sustainability-related performance in incentive schemes</li> <li>• <b>SBM-1</b> Strategy, business model and value chain</li> <li>• <b>SBM-3</b> Material impacts, risks and opportunities and their interaction with strategy and business model</li> <li>• <b>G1-1</b> Corporate culture and business conduct policies</li> <li>• <b>G1-3</b> Prevention and detection of corruption and bribery</li> </ul>
b) Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none"> <li>• <b>SBM-2</b> Interests and views of stakeholders</li> <li>• <b>GOV-2</b> Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies</li> <li>• <b>IRO-1</b> Description of the processes to identify and assess material impacts, risks and opportunities</li> <li>• <b>SI-2</b> Processes for engaging with own workforce and workers' representatives about impacts</li> </ul>
c) Identifying and assessing adverse impacts	<ul style="list-style-type: none"> <li>• <b>SBM-3</b> Material impacts, risks and opportunities and their interaction with strategy and business model</li> <li>• <b>IRO-1</b> Description of the processes to identify and assess material impacts, risks and opportunities</li> </ul>
d) Taking actions to address those adverse impacts	<ul style="list-style-type: none"> <li>• <b>E1-3</b> Actions and resources in relation to climate change policies</li> <li>• <b>E5-2</b> Actions and resources in relation to resource use and circular economy</li> <li>• <b>SI-4</b> Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and an assessment of the effectiveness of those actions</li> <li>• <b>G1-3</b> Prevention and detection of corruption and bribery</li> </ul>
e) Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none"> <li>• Tracking of ESRS-aligned targets.</li> <li>• The Raute Executive Board and ESG steering group track the progress of the targets and projects. There are also other ways in place for tracking, such as the whistleblowing channel and safety observations.</li> </ul>

**GOV-5 – Risk management and internal controls over sustainability reporting**

Raute's sustainability manager is responsible for the processes related to sustainability reporting together with the Chief Financial Officer. The Chief Financial Officer reports on the implementation of sustainability reporting to the Board's Audit Committee. Raute identified risks relating to the preparation of sustainability reporting, such as the reporting timeframe, the adequacy of internal and external resources, and the limitations related to the availability, scope and trueness of data. Raute did not have a risk management model for prioritizing the risks related to the preparation of the sustainability statement. Persons from within Raute were extensively involved in the sustainability statement preparation process and external expert resources were used to mitigate the risk related to the adequacy of resources.

Raute will develop the supervision of the risks and actions related to sustainability reporting and the definition of the related controls. The controls will focus on finding a balance between regular audits, personnel training and metric data collection. Clear processes and guidelines will also be created for data validation and documentation.

**Strategy**

**SBM-1 – Strategy, business model and value chain**

Raute wants to lead the way with its innovations as the partner to future-proof the engineered wood products industry. Engineered wood products are construction components manufactured by bonding together processed wood products, mainly with adhesives. These products are widely used in construction due to their durability and versatility. Raute's business model is focused on promoting resource-efficient production in the engineered wood products industry by offering complete mills, production lines and equipment and various service solutions to support customers. With Raute's products, Raute's customers produce veneer, plywood, laminated veneer lumber (LVL) or other engineered wood products. Net sales consist of sales of machines, equipment and analytics services as well as maintenance and spare part services. Raute's global sales and maintenance network ensures the availability of

products and services to customers. According to a competitor analysis carried out by the company, Raute is the market leader and the only full-scope supplier in the world to offer mill-scale technological solutions for veneer, plywood and LVL production.

Raute's technologies and services are designed to improve the resource-efficiency of the customer's whole production process and the quality of the end product. The Wood Processing business unit offers comprehensive design and machine solutions for resource-saving veneer, plywood and LVL production. The Analyzers business unit offers a wide spectrum of camera technologies and data analytics for the optimization of production. The Services business unit supports the two above-mentioned business units by offering service and maintenance solutions for production optimization, energy efficiency and for extending the life cycle of the equipment and maintaining its performance. Understanding customer needs is at the core of Raute's operations.

Raute's strategy is focused on sustainable growth and resource efficiency. Raute wants to be the partner to future-proof the wood industry. The key targets of the strategy are promoting sustainability, growing net sales and expanding the business profile into new markets, improving profitability and reducing volatility. The main critical solutions will be related to production optimization and resource savings also in the future. Sustainability is part of Raute's strategy and is reflected in a focus on sustainable financial growth, promoting climate and circular economy actions, focusing on resource-efficiency, developing the safety culture, improving sustainability in the entire value chain through the work community's ethical values and supporting skills development to ensure innovativeness, as well as in attracting and retaining diverse professionals.

### Market

Raute operates globally, and its main markets are in Europe, North America and Asia. Raute's production machinery, technologies and services are sold to all markets. Raute's customers are wood products industry companies that manufacture veneer, plywood and LVL. These include major industrial companies that value the sustainable and efficient production solutions offered by Raute and the long life cycles and upgradability of the products. Raute's product offering

supports customers in their own sustainability targets. The geographical distribution of net sales is reported as part of the financial statements (Financial statement, appendix 1, page 76). Raute's wholly owned subsidiary Hiottu Oy merged into Raute Corporation on December 31, 2024. Hiottu's activities are taken into account in the reporting, but the activities do not have any significant impacts on Raute's material sustainability topics. The headcount of employees by geographical areas is reported as part of Disclosure Requirement S1-6.

In 2024, Raute continued bringing innovations to the market, with a special focus on digital analytics solutions that support veneer, plywood and LVL production processes. Raute has introduced new solutions that utilize artificial intelligence and data analytics in a new way for production optimization and quality control. In addition, Raute has expanded its service concept to also cover customers' daily production maintenance solutions, in addition to spare parts, regular maintenance and modernizations. Raute does not make use of the exemption of paragraph SBM-1 (41) from the disclosure of the information referred to in Article 18, paragraph 1, sub-point (a) of Directive 2013/34/EU (22) by significant ESRS sector.

### Raute as part of the value chain

Raute is committed to improve sustainability in its entire value chain. Raute's downstream value chain includes the manufacturers, distribution channels and end-users of wood products. The company's upstream value chain, in turn, includes suppliers that offer raw materials, machine parts, electronics and components, and services required for installation projects and IT services. Raute's position in the value chain is to act as a partner that future-proofs the engineered wood products industry, promoting resource-efficient production through smart solutions.

In the upstream value chain, Raute's operations cover the planning of projects and sub-assemblies, the procurement of raw materials and components and the transport of these materials to Raute's own plants in charge of the assembly. The production process encompasses the assembly, machining, welding and painting of the products, after which the products are delivered to customers for installation. In addition, Raute offers spare parts, maintenance, repairs and modernizations

and analytics skills and production optimization for improving quality.

Raute works closely together with its key suppliers, customers and distribution channels to ensure smooth operations and timely deliveries. The climate change-related impacts arise in the downstream value chain, in the life-cycle energy consumption of the products. The positive impacts related to the circular economy arise in the downstream value chain when customers benefit from long-lasting and resource-efficient products. In terms of social responsibility, the impacts are focused on Raute's own personnel. The impacts related to business conduct extend to the entire value chain.

### Added value to the value chain

Raute adds value through its offering that supports production optimization and resource efficiency. For Raute's customers, this is reflected in resource and energy savings, as the required resources are utilized with maximum efficiency. Raute enables the circular economy by optimizing manufacturing processes and the required resources (energy, water, adhesives), designing sustainable products with a long life cycle and maintaining fixed assets through its life-cycle services. The company's efforts to save resources in plywood and LVL production improve operational efficiency and reduce the environmental impacts of manufacturing. Raute prioritizes occupational health and safety in everything it does. Raute's products are designed to support safe working practices and the development of life-cycle safety. A strong safety culture aims to both prevent injuries and ensure safe production for customers.

### Supply chain

Raute uses metal products in its manufacturing operations. The raw materials used by Raute are reprocessed steel products, other raw materials, components, and commodities. Roughly 95% of a product is metal. The quantity of metals used is about 3,000–4,000 tons per year, depending on the products sold. The designers are responsible for machinery and equipment design, and the drawings or component orders generated at this stage are communicated to the procurement chain. Raute's different sites can manufacture products directly for customers or act as one another's subcontractors, which enables specialization and efficiency improvement. The availability

of high-quality components is critical for ensuring the quality of the end products.

The goal of Raute's procurement strategy is to minimize availability risks, prioritize value creation, increase flexibility through scaling and ensure cost-effective and high-quality operations. In 2024, Raute did not face any challenges related to the availability of the required materials. Geopolitical challenges affected the supply chain, and the risk was managed by shifting the focus of production to Europe. The impact of inflation and the availability risks are reviewed by category, by, for example, tracking indices, such as the steel price development, logistics costs and inflation. These metrics are used to assess the risks in the different categories and shift the focus of procurement as required.

The supply chain plays an important role for both the smoothness of business activities and ensuring cross-cutting sustainability in the value chain. Raute's goal is to promote responsible procurement and ethical business practices and to set minimum sustainability requirements for suppliers. By identifying and managing potential sustainability-related risks, Raute is able to improve the resilience and sustainability of the supply chain together with its suppliers.

### Society

The use of wood in construction creates value for society and supports the transition towards a low-carbon future. The use of various new types of wood structures is gaining ground in construction. The sustainability targets of the construction sector are very closely related to carbon-neutral construction and low-carbon construction solutions. LVL, for example, is a very strong and versatile material that is well-suited for different load-bearing structures thanks to its tensile strength and stiffness, making it an excellent alternative to replace steel beams and concrete elements in construction. The use of wood products in construction not only supports a reduction in emissions, but also promotes financial and social well-being by offering a renewable, carbon-binding and versatile construction material that meets the needs of modern construction. As the wood products industry expands and thus demand for sustainable construction materials increases, Raute wants to be at the forefront of the change by offering innovations to the

wood products industry and promoting a resource-efficient society.

### SBM-2 – Interests and views of stakeholders

Raute engaged in extensive dialogue with its stakeholders to identify its most material sustainability topics as part of its strategy work. The materiality assessment updated in 2024 applied the double materiality principle that takes into account both impact materiality and financial materiality. The company's own personnel was one of the significant stakeholders in the dialogue conducted in connection with the strategy work. Further key stakeholders were customers, suppliers and partners. The views and expectations of stakeholders on material impacts, risks and opportunities were collected by interviewing employees, customers, members of the Executive Board and Board of Directors, and financiers. The views, interests and needs of stakeholders were collected through interviews and internal workshops. Raute's internal understanding of customers' needs was also used in the process.

The double materiality assessment covered the entire value chain and assessed at which points of the value chain the identified impacts, risks and opportunities essentially occur. The views and interests of stakeholders are discussed, as required, in the administrative, management and supervisory bodies (Board of Directors, Executive Board, Board committees, ESG steering group) and when updating the materiality assessment. These views were recorded in a separate assessment table during the double materiality assessment, and they were taken into account when assessing the positive impacts and business opportunities. The assessment table was communicated to the Executive Board and the Audit Committee for approval. The views of stakeholders are compiled in a concise manner into the IRO table; for more information, see ESRS 2 disclosure requirement SBM-3.

In terms of the need to change the business models, Raute tracks the market pressure, i.e. changes in demand, legislation, costs, conditions for maintaining competitiveness and new business opportunities, which are factors behind the selected business model, in addition to the views of stakeholders. We pay particular attention to tracking customers' expectations,

which emphasize the sustainability of products and services across the board. The end results of the double materiality assessment do not require changes to Raute's current strategy and business model.

Stakeholder	Discussion topics, priorities	Interaction and engagement	Impact on operations
Personnel	<ul style="list-style-type: none"> <li>Occupational safety</li> <li>Ethical conduct</li> <li>Equal opportunities</li> <li>Training, targets</li> <li>Sustainability impacts and targets of own operations</li> </ul>	<ul style="list-style-type: none"> <li>Daily communication</li> <li>Sustainability training</li> <li>Performance and development discussions</li> <li>Personnel surveys</li> <li>Steering group work</li> <li>Whistleblowing channel</li> <li>Internal communication</li> <li>Internal audits</li> <li>E-learning platforms</li> <li>Internal team meetings</li> </ul>	<p>Raute's own personnel is an important group affected by sustainability impacts. Raute takes its employees' interests, views and rights into account as part of its strategy and business model. The views of the company's own employees are collected as part of regular interaction and engagement.</p> <p>Employee feedback has a direct impact on operations.</p> <p>Employees are provided with training in sustainability information and approaches, and the topic is discussed during training.</p>
Customers	<ul style="list-style-type: none"> <li>Long life cycle of fixed assets and maintenance services</li> <li>Materials savings</li> <li>Energy-efficient products</li> <li>Responsible business</li> <li>Respect for human rights</li> <li>Safety of products and employees</li> <li>Carbon footprint of products</li> </ul>	<ul style="list-style-type: none"> <li>Customers mainly interact with the sales department, key account managers and maintenance technicians and fitters</li> <li>Customer satisfaction is reviewed annually through the Services business</li> <li>Raute's RX Event was aimed at increasing stakeholders' awareness of sustainability by bringing together several stakeholders and discussing challenges together. (November 21, 2024)</li> <li>Customers' annual supplier assessments</li> <li>Stakeholders' requests for information</li> </ul>	<p>Frequent discussions are held with customers, and dedicated discussions about sustainability and customers' future needs have been organized. Based on the discussions, development projects have been launched.</p> <p>Raute also organized a dedicated sustainability event.</p>
Business partners, suppliers	<ul style="list-style-type: none"> <li>Sustainability risks</li> <li>Ethical practices, sustainability requirements</li> <li>Sustainability of the supply chain and the opportunity to provide ESG data</li> <li>Safety of employees and products</li> </ul>	<ul style="list-style-type: none"> <li>Interaction with suppliers takes place through procurements, supplier assessments and negotiations, as well as contract management.</li> </ul>	<p>Engagement mainly occurs according to need by email and data provision through questionnaires.</p> <p>A supplier survey on sustainability risks has been completed and different data collection processes related to materials have been initiated.</p>

**SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model**

The material impacts, risks, and opportunities identified in Raute's double materiality assessment relate to climate change (E1), the use of natural resources and the circular economy (E5), own workforce (S1), and business conduct (G1). The material climate change-related impacts, risks, and opportunities pertain to physical climate risks, transition risks, climate change mitigation, and energy consumption in both Raute's own operations and downstream product use. The material impacts, risks, and opportunities and their position in the value chain are described in the SBM-3 IRO table.

Regarding climate change and the circular economy, the material impacts primarily relate to energy use (both in products and operations), the use of non-renewable energy sources, climate change mitigation (improving product energy efficiency), potential extreme weather events and their cascading effects, the use of non-renewable resources, and the environmental impact of steel products. Climate change-related impacts are significant throughout the entire value chain, but they are particularly emphasized at the downstream end due to energy consumption during the product lifecycle. In terms of the circular economy, impacts are most prominent at the upstream end of the value chain and within Raute's own operations.

The material risks related to climate change and the circular economy include extreme weather events and their cascading effects (such as supply chain disruptions), material availability and price fluctuations, the impact of increasing regulations on both direct and indirect raw material costs, uncertainty in achieving emission reduction targets, investments required to improve production energy efficiency, additional costs for renewable energy, the cost of carbon-free steel, regulatory compliance costs, and the company's ability to adapt to changes in the regulatory environment, customer preferences, or market expectations.

The material opportunities in environmental aspects related to climate change and the circular economy include developments at the downstream end of the value chain that support the transition from non-renewable construction materials (such as concrete and cement) to renewable building mate-

rials, which is advantageous for Raute. The material efficiency, energy efficiency, long product lifecycles, maintainability, and reparability achieved through Raute's product offering provide business advantages across all markets. A long product lifecycle reduces emissions and lowers the total cost of ownership. Raute sees energy efficiency improvements and the use of renewable energy in its own operations as factors that support sustainable growth.

In terms of its own workforce, the impacts include negative effects related to occupational safety and health, as well as positive effects associated with skills development, diversity of backgrounds, and competence diversity. The material risks in this regard focus on talent shortages. If Raute is unable to attract a diverse talent pool and retain top technology experts to support its growth strategy, the situation may lead to a lack of innovation and a shortage of skilled labor. The material opportunities related to Raute's workforce concern the fact that occupational safety is a competitive advantage for the company and offers financial opportunities, as Raute promotes health and safety in its facilities, products, and services, as well as in customer sites.

For business conduct, key risks include potential corruption and bribery incidents, which could lead to significant financial losses, severe reputational damage, and financial consequences resulting from a weak corporate culture. The material opportunities in business conduct relate to the prevention and detection of corruption and bribery, which are supported through training. Strong ethical practices and corporate culture also support sales. An additional opportunity identified is the connection between a strong corporate culture and ethical principles, which together can create business value and lead to higher employee commitment and retention. An ethical corporate culture fosters collaboration, which enhances productivity and overall business performance.

The material impacts are related to Raute's strategy and business model, as Raute's current strategy is strongly focused on sustainability. This commitment is reflected in sustainable economic growth, advancing climate action and circular economy initiatives through investments in resource efficiency, developing a strong safety culture, enhancing responsibility throughout the value chain via ethical business values, sup-

porting skills development to drive innovation, and attracting and retaining diverse talent. Stakeholder perspectives play a significant role in the double materiality assessment and also influence the need for updates in strategy and business models. Regarding changes in business models, Raute monitors legislation, costs, and other factors necessary for maintaining competitiveness. Particular attention is given to customer expectations, where sustainability in both products and services is a key consideration. The results of the 2024 double materiality assessment do not require changes to Raute's current strategy or business model. The material impacts, risks, and opportunities identified in the double materiality analysis have been incorporated into Raute's sustainability program. The financial impacts of risks and opportunities on Raute's financial position, financial performance, and cash flows are not currently available. According to Raute's management assessment, the risks and opportunities do not have material financial impacts that would need to be reported.

Our assessments and assumptions are based on the best available information, with external expert support. The estimates used in the materiality analysis have been based on various background materials, such as industry research, Raute's internal documents and practices, and stakeholder interviews. These evaluations have been used, for example, in assessing value chain impacts, such as physical climate risks and climate change adaptation within the value chain.

**SBM-3 IRO Table: Material Impacts, Risks, and Opportunities**

Sub-topic or sub-sub topic	Description	Impact/Risk/Opportunity	Location in the value chain	Time horizon
<b>EI: Climate Change</b>				
<b>Climate change adaptation (physical risks)</b>	Material physical climate impacts may be caused by extreme weather events (storms, hurricanes), heatwaves, potential flooding, wildfires resulting in power outages.	Actual negative impact	Upstream, Own operation, downstream	Short and medium term impact
<b>Climate change adaptation (physical risks)</b>	Regarding Raute's operations and the upstream value chain, material physical climate risks include extreme weather events (storms, hurricanes), heatwaves, potential flooding, wildfires, and the resulting power outages. These physical climate risks may impact the operations of our facilities and cause global supply chain disruptions, leading to delays and increased raw material costs. Rising temperatures may also contribute to the loss of certain forest areas and tree species, affecting raw material availability within Raute's value chain.	Risk	Upstream, Own operation, downstream	Long term risk
<b>Climate change adaptation (transition risks)</b>	Key transition risks include the company's ability to adapt to changes in the regulatory environment, shifts in customer preferences, or evolving market expectations, which may require significant investments and adjustments to business models. Additionally, surcharges related to CO2 emissions could pose financial risks. Transition risks arise from uncertainty as well as both direct and indirect costs.	Risk	Upstream, Own operation, downstream	Short, medium and long term risk
<b>Climate change adaptation (transition risks)</b>	The shift from non-renewable building materials (concrete, cement) to renewable materials presents an advantage for Raute through the downstream value chain. Material efficiency, energy efficiency, circular economy, and reparability provide business benefits across all markets.	Opportunity	Downstream	Long term opportunity
<b>Climate change mitigation</b>	Contributing to climate change through greenhouse gas emissions from own operations (energy, materials) and the value chain (energy use of products).	Actual negative impact	Own operation, downstream	Short and medium term impact
<b>Climate change mitigation</b>	Raute's technological solutions can help reduce customers' Scope 2 emissions by optimizing the energy consumption of their processes.	Actual positive impact	Downstream	Short and long term impact
<b>Climate change mitigation (transition risk)</b>	Uncertainty in achieving the Scope 1 and 2 emission reduction target by 2030 without sufficient investments and new technology. The lack of direct control over value chain emissions may create challenges in reducing Scope 3 emissions.	Risk	Own operation	Long term risk
<b>Climate change mitigation</b>	Energy-efficient manufacturing solutions are a business opportunity as customers seek savings in both costs and emissions.	Opportunity	Downstream	Short and Long term opportunity
<b>Energy</b>	Environmental impacts resulting from the use of non-renewable energy sources in operations. The cumulative effect of greenhouse gas emissions from energy consumption accelerates climate change.	Actual negative impact	Own operation	Short, medium and long term impact
<b>Energy</b>	Improvements in energy efficiency and the use of renewable energy in operations support sustainable growth.	Opportunity	Own operation	Medium term opportunity
<b>Energy (transitional risk)</b>	Investments in improving energy efficiency in production, the higher procurement cost of energy-efficient machinery and carbon-free/green steel, as well as additional costs or investments in renewable energy.	Risk	Own operation	Medium term risk
<b>Energy</b>	Environmental impacts resulting from the energy consumption of sold products.	Actual negative impact	Downstream	Short, medium and long term impact
<b>Energy</b>	Raute offers a wide range of energy-saving solutions for its customers.	Opportunity	Downstream	Short, medium and long term opportunity

Sub-topic or sub-sub topic	Description	Impact/Risk/Opportunity	Location in the value chain	Time horizon
<b>E5: Circular economy</b>				
<b>Resource inflows</b>	Raute relies heavily on metal materials in its products, making it dependent on non-renewable natural resources. The inflow of resources involves negative environmental and social impacts associated with material extraction, processing, and transportation. The production of steel products at the upstream end of the value chain generates significant carbon dioxide emissions, consumes large amounts of natural resources, and produces waste and emissions.	Actual negative impact	Upstream, Own operation	Short, medium and long term impact
<b>Resource inflows</b>	Dependence on the supply chain. Other risks include material availability and price fluctuations, supply chain disruptions, and the impact of increasing regulations on raw material costs.	Risk	Upstream, Own operation	Short and medium term risk
<b>Resource outflows</b>	Raute extensively uses steel in its products. The possibility of using recycled steel in machinery is limited due to its availability. Steel and other metals have a significant carbon footprint.	Actual negative impact	Upstream, Own operation	Short, medium and long term impact
<b>Resource outflows related to Products and Services</b>	Metal materials can pose financial risks through regulatory costs (CBAM) or the higher procurement costs of carbon-neutral steel. Other risks include price fluctuations due to supply chain disruptions and compliance costs associated with stricter EU regulations requiring emission reductions.	Risk	Upstream, Own operation	Medium term risk
<b>Resource outflows related to Products and Services</b>	Resource efficiency through material and energy-saving technologies. A long product lifespan reduces emissions and lowers the total cost of ownership. The machines are built for durability, ensuring long-term material use. At the end of their lifecycle, products are recyclable. Extending product lifespan through modernization.	Opportunity	Downstream	Short, medium and long term opportunity
<b>S1: Own workforce</b>				
<b>Occupational Health and Safety</b>	Material impacts relate to occupational accidents and workplace health. Within Raute's operations, the most significant risks are associated with factory work, as well as equipment maintenance and installations at customer facilities. In the most severe cases, workplace accidents can result in fatalities. Health-related risks include musculoskeletal disorders due to physically demanding work.	Actual negative impact	Own operation	Short and medium term impact
<b>Occupational Health and Safety</b>	Occupational safety is a competitive advantage for the company and provides financial opportunities. Raute promotes health and safety within its own facilities, products, and services, as well as at customer sites. Investing in safety and training helps prevent accidents and increases productivity. A strong safety culture and safe work practices enhance employee well-being and reduce absenteeism.	Opportunity	Own operation	Long term opportunity
<b>Training and Skills Development</b>	Investments in employee training and skill development enhance productivity and innovation, improve the quality of products and services, help retain valuable talent, increase customer satisfaction, and ensure long-term success. Mastering the latest technologies strengthens competitiveness and expands market share.	Actual positive impact	Own operation	Short term impact
<b>Diversity</b>	Diversity is a key driver of innovation and a crucial factor in attracting highly skilled, diverse technology experts. We recognize that diversity can significantly enhance innovation and problem-solving capabilities. Additionally, by expanding our talent pool to include diverse candidates, we can better address skill gaps and labor shortages. Diversity, particularly in terms of nationality, has a positive impact on our ability to serve a broad global customer base.	Actual positive impact	Own operation	Short, medium and long term impact
<b>Diversity</b>	If Raute is unable to attract a diverse talent pool and retain top technology experts to support its growth strategy, it may face a shortage of innovation and skilled workforce.	Risk	Own operation	Short, medium and long term risk

Sub-topic or sub-sub topic	Description	Impact/Risk/Opportunity	Location in the value chain	Time horizon
<b>G1: Business Conduct</b>				
<b>Prevention and Detection of Corruption and Bribery, Including Training</b>	Preventing corruption and bribery through training enhances decision-making, strengthens reputation, and boosts employee morale by fostering a fair working environment. It can also lead to financial savings by avoiding fraud-related losses and ensuring regulatory compliance, creating a more ethical and stable organization. Strong ethical practices and a culture of integrity support sales and business growth.	Opportunity	Own operation	Short, medium and long term opportunity
<b>Corruption and Bribery Incidents</b>	Corruption and bribery can result in significant financial losses, legal consequences, and severe damage to a company's reputation. Strong ethical practices and a culture of integrity support employees and have a positive impact on the entire value chain.	Risk	Upstream, Own operation, downstream	Short, medium and long term risk
<b>Corporate Culture</b>	A weak corporate culture can lead to low employee engagement and competitiveness, as well as potential strikes and reputational damage. It can stifle innovation and collaboration, ultimately harming the company's overall performance and market position. Additionally, it can damage the company's reputation, making it more difficult to attract and retain top talent.	Risk	Own operation	Medium term risk
<b>Corporate Culture</b>	A strong corporate culture and ethical principles are closely linked and can together create business value. Ethical practices enhance the company's reputation, build trust among stakeholders, and uphold high morale. An ethical culture fosters collaboration and innovation, leading to increased productivity and overall business performance. A positive corporate culture also results in higher employee engagement and retention.	Opportunity	Own operation	Medium and long term opportunity

**E1 SBM-3 (18-19) Climate change**

Raute has not yet conducted a detailed climate resilience analysis, climate scenario analysis, or developed a transition plan for climate change mitigation. The transition plan will be prepared and approved in 2025, while the resilience analysis of the strategy’s climate change durability and the climate scenario analysis will be carried out by 2026 at the latest.

Raute has identified and assessed key climate change-related impacts, risks, and opportunities in its double materiality analysis, aligning them with the sub-topics and sub-sub-topics of the sustainability reporting standard. Raute’s material climate change-related impacts, risks, and opportunities are described as part of the disclosure requirement IRO-1.

The key climate change-related risks focus on extreme weather events and their cascading effects (such as supply chain disruptions and material price fluctuations), uncertainty in achieving emission reduction targets, investments in improving production energy efficiency, and additional costs of renewable energy. Additionally, regulatory impacts on both direct and indirect raw material costs, the company’s ability to adapt to changes in the regulatory environment, and shifts in customer preferences or market expectations were identified as risks. The material climate change-related risks in the IRO table are categorized into physical risks and transition risks.

Raute conducts an annual double materiality analysis, ensuring that risks and opportunities are continuously integrated into its operations, particularly in the preparation of a new strategy. The material impacts, risks, and opportunities identified in the double materiality analysis are incorporated into Raute’s sustainability program. As a result, the conclusions of the 2024 double materiality assessment do not necessitate changes to Raute’s current strategy or business model.

**SBM-3 S1: Own workforce**

Raute has identified and assessed in its double materiality assessment the key impacts, risks and opportunities related to its own workforce in relation to the sub-topics and sub-sub-topics of the European Sustainability Reporting Standards. Health and safety, training and skills development, and diversity were

identified as Raute’s material sustainability topics related to own workforce. Raute’s all material negative and positive impacts on people are described in the IRO table under Disclosure Requirement ESRS 2 SBM-3. The material negative impacts identified based on the double materiality assessment are related to individual incidents.

For Raute’s own workforce, the impacts include negative impacts related to occupational safety and health, as well as positive impacts related to skills development, and the diversity of backgrounds and skills. The negative impacts related to occupational safety are due to the nature of the business, so Raute focuses on identifying and assessing the risks and impacts related to occupational safety. With this information, Raute can adapt its strategy and business model to improve occupational safety and reduce risks. The positive impacts of training and skills development are directly linked to the company’s strategy. There are also many business opportunities related to training, skills development, and occupational safety, so the impacts on Raute’s own workforce are considered in the company’s strategy and sustainability targets. Raute conducts an annual materiality analysis, so these risks, impacts and opportunities are always considered as part of Raute’s operations and especially as part of the preparation of the new strategy. The risks, impacts and opportunities identified in the materiality analysis are already largely considered as part of Raute’s sustainability roadmap.

The material risks are similarly focused on the shortage of skilled workers. If Raute is unable to attract a diverse pool of talent and engage the best technology experts to support its growth strategy, the situation may lead to a lack of innovation and skilled workforce. The material opportunities for Raute’s own workforce are related to how considering occupational safety in products, services, and customer operations is a competitive advantage for the company and offers financial opportunities. Occupational safety and an innovative workforce are conditions for us to be able to offer our customers the best possible support.

Raute’s plans and actions to promote the circular economy, reduce carbon emissions, and potential investments in more energy-efficient solutions may change employees’ job descriptions and cause changes to the workspaces and tools

in use. Raute does not yet have a transition plan for mitigating climate change, so the impacts of the transition plan on the workforce cannot yet be assessed.

Raute has not identified any significant risk of forced labor or child labor related to its business operations, job roles, or industry. In terms of Raute’s business, China and Indonesia are highlighted as geographical areas where the use of forced labor or child labor is defined as a risk according to public sources. The significance of this risk has not yet been assessed in detail. Local legislation in the countries in which the Group operates and the Raute Code of Conduct ban forced labor and the use of child labor. Although no significant risks of forced labor have been identified in the sector, Raute deems it necessary to develop its due diligence processes and assessment accuracy in the coming years.

**Description of the definition of own workforce**

All people belonging to Raute’s own workforce have been assessed as a single group in the double materiality assessment, and they are included in the scope of the reported information. Both employees, such as permanent employees, part-time employees, fixed-term employees and employees with a zero-hour contract, and non-employees, such as subcontractors or temporary employees, are materially impacted by Raute’s business. Temporary employees are employees employed by an external company who work for Raute. In this context, subcontractor refers to self-employed workers or a subcontractor’s employees working on Raute’s premises (packaging operations, logistics). Subcontractors working on Raute’s premises are also included in the scope of reporting when it comes to occupational safety. For the value chain, the transitional provision is used. Occupational accident risks are emphasized especially in the machinery and equipment installation and commissioning phase and during maintenance, but they are not related to any specific groups or geographies.

**IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities**
**Methodology and assumptions**

In 2023, Raute carried out an extensive double materiality assessment, which was refined in 2024 for the materiality limits and the descriptions of impacts, risks and opportunities. The assessment was carried out in accordance with the CSRD directive, ESRS standards and EFRAG's guidelines. Available datasets, interviews and workshops with various stakeholders were used in identifying financial risks and opportunities. We have based our estimates and assumptions on the best available data and have been provided with critical support by an external expert in these assessments. The estimates used in the materiality assessment are based on various background materials, such as industry research, Raute's internal documents and practices, and stakeholder interviews.

Views on the material impacts, risks and opportunities were collected from various stakeholders, such as customers, financiers, analysts, employees, members of the Board of Directors and the Executive Board. The double materiality assessment considered the negative and positive impacts of Raute's own operations and value chain on the different sustainability topics, sub-topics and sub-sub-topics as well as the related financial risks and opportunities. The process reviewed Raute's different activities, business relationships and the geographies related to Raute's business conduct.

Raute's impacts on society and the environment were divided into actual and potential impacts and positive and negative impacts (impact materiality) and scored based on scale, scope, irremediable character and likelihood. The impact assessment also covered the importance of the company's upstream and downstream value chain and the time horizon of the impacts. The connections between the impacts, risks and opportunities were also reviewed as part of the double materiality assessment process. The likelihood of the identified financial risks and opportunities and the magnitude of the financial impacts were assessed using the quantitative thresholds and criteria for financial materiality as prescribed by ESRS 1 section 3.5. The prioritization of negative impacts was based on their severity and likelihood and that of positive impacts on their scope and

likelihood. Negative impacts have not been ranked in a separate order of priority.

Raute's risks and opportunities (financial materiality) were scored according to the magnitude and likelihood of the potential impact. The scoring system was developed based on stakeholder interviews and internal workshops using an external partner. The scoring and thresholds of financial impacts were calculated by multiplying the magnitude (assessed on a scale of 1–5) and likelihood of occurrence (assessed on a scale 1–5, where the multiplier 5 is 90%, 4 is 75%, 3 is 60%, 2 is 40%, 1 is 25% and 0 is 10%). The financial impacts were deemed material if they exceeded the threshold 1.8. In addition, financial impacts were always deemed material if both their magnitude and their likelihood were 3 or higher.

For actual impacts, their level of materiality was determined by their severity. Actual positive impacts were obtained as the average of scale and scope. Actual negative impacts were obtained as the average of scale, scope and irremediable character (each assessed on a scale of 1–5). The impacts were deemed material if the materiality level exceeded 3.5. In addition, if one of the drivers of financial materiality, such as scale, scope or irremediable character, was deemed severe and scored 5, the impact was automatically deemed material.

For potential impacts, their level of materiality was determined by their severity and likelihood. The potential positive impacts were calculated by multiplying the average of scale and scope (assessed on a scale of 1–5) by the likelihood of occurrence (assessed on a scale of 1–5, where the multiplier 5 is 90%, 4 is 75%, 3 is 60%, 2 is 40%, 1 is 25% and 0 is 10%). The potential negative impacts were scored by multiplying the average of scale, scope and irremediable character by the likelihood of occurrence, using the same scoring system as above. The impacts were deemed material if the level of materiality was met. In addition, if one of the impact drivers, scale, scope or irremediable character, was deemed severe and given a score of 5, the impact was automatically deemed material, as is specified in EFRAG's guidelines.

The 2023 double materiality assessment was updated in 2024 in terms of the material impacts, risks and opportunities. Discussions with internal stakeholders were utilized in the

updating. The Board of Directors was assisted by the Audit Committee, which oversaw the progress of the sustainability statement and related processes. The progress of the work was reported to the Audit Committee and the Executive Board. The Chief Financial Officer updates the Executive Board, the Board of Directors and the Audit Committee on sustainability topics and the progress of the related measures. Sustainability matters were reported to the Audit Committee 5 times during 2024, and regularly in the Executive Board meetings. The Audit Committee's materials were available to the entire Board of Directors. The process was completed by both the Raute Executive Board and Audit Committee approving the results of the materiality assessment. The double materiality assessment process will be continued as described also in the next reporting period as part of the company's general management process.

The due diligence process and the double materiality assessment (DMA) are key elements in implementing Raute's sustainable development and ESG strategy. The implementation of Raute's due diligence process ensures that the due diligence principle is followed in the identification, assessment and management of risks and in stakeholder consultations. The due diligence process and the double materiality assessment are in the process of being implemented as part of the company's management and reporting practices. Due diligence is designed to consider the impacts with which the undertaking is involved through its own operations or as a result of its business relationships. The principles of Raute's due diligence process were cascaded in 2024. During 2024, a special focus was on identifying risks and strengthening different structures (channels, policies). Several actions were taken to improve the sustainability of operations, but the effectiveness of the actions cannot be assessed until 2025 when the policies are cascaded within the organization and as the measures required to achieve the targets progress.

The Chief Financial Officer updates Raute's management, Board of Directors and Audit Committee on sustainability topics and the progress of the related measures. Risk assessment is also regularly addressed in the updates. The Chief Financial Officer leads decision-making and the Executive Board-level discussion in demanding risk management projects. The Chief Financial Officer, together with the sustainability manager,

prepares the matters related to risk management and measures to be decided on by the Executive Board. The Board of Directors approves the long-term sustainability strategy and the related long-term targets. In 2024, business risks and the results of the double materiality assessment were addressed separately. The results of the double materiality assessment were taken into account when prioritizing risks, and they fully impacted the work and actions of the Executive Board. Raute’s administrative, management and supervisory bodies addressed the material impacts, risks and opportunities identified in the double materiality assessment during the reporting period. The materiality assessment will be updated annually.

**IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities**

**G1 (6) Business conduct**

Raute’s double materiality assessment process and the criteria used are described in the standard ESRS 2 as part of the Disclosure Requirement IRO-1. The company’s location, activity and sector were considered in assessing material impacts, risks, and opportunities related to business conduct. Raute Corporation is a Finnish company headquartered in Lahti. Other sites are located in Kajaani (Finland), Changzhou (China), Delta (Canada) and Pullman (USA). The company operates in the wood processing industry and specializes in the supply of machinery and equipment for the manufacture of veneer, plywood and LVL. Raute’s customers are veneer, plywood and LVL manufacturers whose products are used in areas such as construction, housing, international trade and the transport sector.

**E1 (20-21) Climate change**

In 2024, Raute had not yet created a transition plan or performed a scenario analysis to support emission reductions, through which it is possible for Raute to assess transition risks and the sensitivity of the business activities to climate-related physical risks. A transition plan for climate change mitigation will be created and a resilience analysis will be performed over the coming years. We assessed the financial transition risks related to climate change based on our best knowledge during the financial year 2024. Raute has assessed climate change-related impacts, risks and opportunities as part of its double materiality assessment, the process of which is descri-

bed in section ESRS 2 IRO-1 of the sustainability statement. Raute contributes to climate change through greenhouse gas emissions from its own operations (energy, materials) and the value chain (product energy use). We charted the climate impacts of our own operations through greenhouse gas emission calculation in 2024. The emission calculation helped assess the climate risks of our own operations.

Material physical climate risks in terms of Raute’s operations and upstream value chain are extreme weather events (storms, hurricanes), heat waves, potential flooding, forest fires and the resulting power outages. Physical climate risks may lead to global supply chain disruptions, which may lead to late deliveries and increase the prices of raw materials. Heat-related health risks that hinder the performance of physical work (installation, maintenance) are also indirectly related to this. In the future, there may be general challenges in the availability of raw materials and resources, as climate risks increase resource scarcity. Material physical climate risks in terms of the downstream value chain are extreme weather events, forest fires and significant changes in forest ecosystems resulting from global warming. The physical climate risks affecting the wood products industry include forest fires, storms, pests and diseases, and changes in precipitation. These risks may weaken the availability and quality of raw materials, which in turn may increase production costs and make production processes more difficult.

**E2 (11) Pollution**

Raute has assessed pollution-related impacts, risks and opportunities as part of the double materiality assessment. Pollution risks have been assessed from the perspective of both impact materiality and financial materiality. In assessing the pollution impacts, the importance of the upstream and downstream value chain, the time horizon, impact materiality and financial materiality were addressed through the scoring mechanism of the double materiality assessment. No material pollution-related impacts, risks or opportunities were identified in the assessment. Raute has not used specific screening methods to identify actual or potential pollution-related impacts, risks and opportunities in its own operations and along the upstream and downstream value chain. The company has not arranged consultations with communities on the matter, as the impacts are not material.

**E3 (8) Water and marine resources**

Raute has assessed the impacts, risks and opportunities related to water use as part of the double materiality assessment. Water use risks have been assessed from the perspective of both impact materiality and financial materiality. In assessing the impacts related to water use, the importance of the upstream and downstream value chain, the time horizon, impact materiality and financial materiality were addressed through the scoring mechanism. No material water use-related impacts, risks or opportunities were identified in the assessment. Raute has not screened its assets to identify actual or potential impacts, risks and opportunities related to water and marine resources in its own operations and along the upstream and downstream value chain. The company has not arranged consultations with communities on the matter, as the impacts are not material.

**E4 (17-19) Biodiversity**

Raute has assessed biodiversity-related impacts, risks and opportunities as part of the double materiality assessment. In assessing the biodiversity-related impacts, the importance of the upstream and downstream value chain, the time horizon, impact materiality and financial materiality were addressed through the scoring mechanism. No material biodiversity-related impacts, risks or opportunities were identified in the double materiality assessment that would make the topic material to report on.

Raute has not conducted more in-depth research into or assessed dependencies on impacts related to biodiversity and ecosystems at its own sites’ locations and in the upstream and downstream value chain. Raute has also not yet identified or assessed transition and physical risks and opportunities related to biodiversity and ecosystems or reviewed systemic risks. The company has not arranged consultations with communities. Raute’s sites are located in areas zoned for industrial use. In 2024, no detailed assessment was conducted to determine whether the sites are located in or near areas sensitive to biodiversity.

Based on the double materiality assessment, it was stated that it is not necessary to implement biodiversity mitigation measures, such as those identified in: Directive 2009/147/EC of the European Parliament and of the Council on the

conservation of wild birds; Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora; an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council (76) on the assessment of the effects of certain public and private projects on the environment; and for activities located in third countries, equivalent national provisions or international standards, such as the International Finance Corporation (IFC) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

### **E5 (I1) Circular economy**

Raute has assessed the impacts, risks, and opportunities related to the circular economy as part of its double materiality assessment, the process of which is described in the sustainability report ESRS2 IRO-1 section. Raute has assessed circular economy-related impacts, risks and opportunities as part of the double materiality assessment. Circular economy-related risks have been assessed from the perspective of both impact materiality and financial materiality. In terms of the circular economy, the impacts are at the beginning of the value chain as well as in Raute's own operations.

The material impacts related to the circular economy focus on the use of non-renewable resources and the environmental impact at the beginning of the value chain for steel products. Raute uses a lot of metal materials in its products, making it dependent on non-renewable natural resources. The inflow of resources includes the negative environmental and social impacts caused by the extraction, processing, and transportation of materials. The production of steel products at the beginning of the value chain causes significant carbon dioxide emissions, consumes a lot of natural resources, and generates waste and emissions. The possibility of using recycled steel in products is limited due to the availability of recycled steel. The waste from Raute's own operations did not emerge as a material impact.

The material risks related to the circular economy are associated with dependence on the supply chain, i.e., the availability and price fluctuations of materials, as well as the cost impacts of regulations being passed on to raw material costs. Steel materials in particular involve financial risks and additional costs through, for example, the Carbon Border Adjustment

Mechanism or, alternatively, through the procurement of carbon-free steel.

The material opportunities related to the circular economy involve extending the lifecycle of products. The machines are built to last, ensuring that the materials are in use for a long time. At the end of their lifecycle, the products are recyclable. A long lifecycle reduces the total cost of ownership. The material efficiency, energy efficiency, long lifecycles, maintainability, and reparability achieved through Raute's offerings are business advantages in all markets.

Raute has assessed its fixed assets and operations to identify their actual and potential impacts, risks and opportunities in its own operations as well as in the upstream and downstream value chain. Raute has not based its assessment on assumptions but has utilized emission calculations, energy consumption data of equipment, and technological opportunities in its evaluation. Sitra's Circular Economy Playbook and the Technology Industries of Finland's circular economy roadmap were used as external sources. The impacts related to the circular economy concern Raute's own operations in particular, which means that wider consultations with stakeholders were not arranged.

### **IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement**

Raute's sustainability statement covers the ESRS1 general requirements and includes the disclosure requirements prescribed by ESRS 2 General disclosures and, as applicable, the disclosure requirements related to ESRS E1 Climate Change, ESRS E5 Circular economy, ESRS S1 Own workforce and ESRS G1 Business conduct. ESRS E1 Climate Change has been described comprehensively. Of the ESRS E1 disclosure requirements, E1-7 and E1-8 have been omitted as not material, because Raute does not use emission units or internal carbon pricing as a means to mitigate climate change. For ESRS E2 Pollution, ESRS E3 Water and marine resources, and ESRS E4 Biodiversity and ecosystems, no material impacts, risks or opportunities were observed in the double materiality assessment. ESRS E5 Circular economy is reported in its entirety. For ESRS S1 Own workforce, around half of the disclosure requirements are covered, but based on the double materiality

assessment, disclosure requirements S-7, S1-8, S1-10, S1-11, S1-12, S1-15, S1-16 and S1-17 were omitted. Of the sub-topics of ESRS G1 Business conduct, disclosure requirements G1-2 and G1-4 have been omitted based on the double materiality assessment.

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**List of datapoints in cross-cutting and topical standards that derive from other EU legislation**

Disclosure Requirement and related datapoint	Material/ Non-material datapoint to Raute	SFDR reference (1)*	Pillar 3 reference (2)*	Benchmark regulation reference (3)*	EU Climate Law reference (4)*
<b>ESRS 2 GOV-1</b> Board's gender diversity paragraph 21 (d)	Material p. 9	Indicator n.13 of Table #1 of Annex 1		Commission Delegated Regulation (CDR) (EU) 2020/1816(5)*, Annex II	
<b>ESRS 2 GOV-1</b> Percentage of board members who are independent paragraph 21 (e)	Material p. 10			Delegated Regulation (EU) 2020/1816, Annex II	
<b>ESRS 2 GOV-4</b> Statement on due diligence paragraph 30	Material p. 12	Indicator n. 10 Table #3 of Annex 1			
<b>ESRS 2 SBM-1</b> Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Material, not relevant	Indicators n. 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6)* Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk.	Delegated Regulation (EU) 2020/1816, Annex II	
<b>ESRS 2 SBM-1</b> Involvement in activities related to chemical production paragraph 40 (d) ii	Material, not relevant	Indicator n. 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
<b>ESRS 2 SBM-1</b> Involvement in activities related to controversial weapons paragraph 40 (d) iii	Material, not relevant	Indicator n. 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818(7)*, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
<b>ESRS 2 SBM-1</b> Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Material, not relevant			Delegoidun asetuksen (EU) 2020/1818 12 artiklan 1 kohta, delegoidun asetuksen (EU) 2020/1816 liite II	
<b>ESRS E1-1</b> Transition plan to reach climate neutrality by 2050 paragraph 14	Material  Transition plan completed in 2025				Regulation (EU) 2021-1119 Article 2 (1)

Disclosure Requirement and related datapoint	Material/ Non-material datapoint to Raute	SFDR reference (1)*	Pillar 3 reference (2)*	Benchmark regulation reference (3)*	EU Climate Law reference (4)*
<b>ESRS E1-1</b> Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Non-material		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	
<b>ESRS E1-4</b> GHG emission reduction targets paragraph 34	Material p. 42	Indicator n. 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
<b>ESRS E1-5</b> Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Material p. 43	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			
<b>ESRS E1-5</b> Energy consumption and mix paragraph 37	Material p. 43	Indicator number 5 Table #1 of Annex 1			
<b>ESRS E1-5</b> Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Material p. 43	Indicator n. 6 Table #1 of Annex 1			
<b>ESRS E1-6</b> Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Material p. 47	Indicators n. 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
<b>ESRS E1-6</b> Gross GHG emissions intensity paragraphs 53 to 55	Material p. 47	Indicators n. 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
<b>ESRS E1-7</b> GHG removals and carbon credits paragraph 56	Non-material				Regulation (EU) 2021/1119 Article 2 (1)
<b>ESRS E1-9</b> Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Material  Transitional provision			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	

Disclosure Requirement and related datapoint	Material/ Non-material datapoint to Raute	SFDR reference (1)*	Pillar 3 reference (2)*	Benchmark regulation reference (3)*	EU Climate Law reference (4)*
<b>ESRS E1-9</b> Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Material  Transitional provision		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk		
<b>ESRS E1-9</b> Location of significant assets at material physical risk paragraph 66 (c).					
<b>ESRS E1-9</b> Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	Material  Transitional provision		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		
<b>ESRS E1-9</b> Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Material  Transitional provision			Delegated Regulation (EU) 2020/1818, Annex II	
<b>ESRS E2-4</b> Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Non-material	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			
<b>ESRS E3-1</b> Water and marine resources paragraph 9	Non-material	Indicator n. 7 Table #2 of Annex 1			
<b>ESRS E3-1</b> Dedicated policy paragraph 13	Non-material	Indicator n.8 Table 2 of Annex 1			
<b>ESRS E3-1</b> Sustainable oceans and seas paragraph 14	Non-material	Indicator n. 12 Table #2 of Annex 1			
<b>ESRS E3-4</b> Total water recycled and reused paragraph 28 (c)	Non-material	Indicator n. 6.2 Table #2 of Annex 1			
<b>ESRS E3-4</b> Total water consumption in m3 per net revenue on own operations paragraph 29	Non-material	Indicator n. 6.1 Table #2 of Annex 1			

<b>Disclosure Requirement and related datapoint</b>	<b>Material/ Non-material datapoint to Raute</b>	<b>SFDR reference (1)*</b>	<b>Pillar 3 reference (2)*</b>	<b>Benchmark regulation reference (3)*</b>	<b>EU Climate Law reference (4)*</b>
<b>ESRS 2 – IRO-1 – E4</b> paragraph 16 (a) i	Material, not relevant	Indicator n. 7 Table #1 of Annex 1			
<b>ESRS 2 – IRO-1 – E4</b> paragraph 16 (b)	Material, not relevant	Indicator n. 10 Table #2 of Annex 1			
<b>ESRS 2 – IRO-1 – E4</b> paragraph 16 (c)	Material, not relevant	Indicator number 14 Table #2 of Annex 1			
<b>ESRS E4-2</b> Sustainable land / agriculture practices or policies paragraph 24 (b)	Non-material	Indicator n.11 Table #2 of Annex 1			
<b>ESRS E4-2</b> Sustainable oceans / seas practices or policies paragraph 24 (c)	Non-material	Indicator n. 12 Table #2 of Annex 1			
<b>ESRS E4-2</b> Policies to address deforestation paragraph 24 (d)	Non-material	Indicator n. 15 Table #2 of Annex 1			
<b>ESRS E5-5</b> Non-recycled waste paragraph 37 (d)	Non-material but included in reporting voluntarily, p. 51	Indicator n. 13 Table #2 of Annex 1			
<b>ESRS E5-5</b> Hazardous waste and radioactive waste paragraph 39	Non-material but included in reporting voluntarily, p. 51	Indicator n.9 Table #1 of Annex 1			
<b>ESRS 2 – SBM-3 – S1</b> Risk of incidents of forced labour paragraph 14 (f)	Material p. 52	Indicator 13 Table #3 of Annex 1			
<b>ESRS 2 – SBM-3 – S1</b> Risk of incidents of child labour paragraph 14 (g)	Material p. 52	Indicator 12 Table #3 of Annex 1			
<b>ESRS S1-1</b> Human rights policy commitments paragraph 20	Material p. 52	Indicator n. 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			
<b>ESRS S1-1</b> Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Material p. 52			Delegated Regulation (EU) 2020/1816, Annex II	

<b>Disclosure Requirement and related datapoint</b>	<b>Material/ Non-material datapoint to Raute</b>	<b>SFDR reference (1)*</b>	<b>Pillar 3 reference (2)*</b>	<b>Benchmark regulation reference (3)*</b>	<b>EU Climate Law reference (4)*</b>
<b>ESRS S1-1</b> Processes and measures for preventing trafficking in human beings paragraph 22	Material p. 52	Indicator n.11 Table #3 of Annex I			
<b>ESRS S1-1</b> Workplace accident prevention policy or management system paragraph 23	Material p. 52-53	Indicator n.1 Table #3 of Annex I			
<b>ESRS S1-3</b> Grievance/complaints handling mechanisms paragraph 32 (c)	Material S1-3, p. 53 G1-1, p. 57	Indicator n. 5 Table #3 of Annex I			
<b>ESRS S1-14</b> Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Material p. 56	Indicator n. 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
<b>ESRS S1-14</b> Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Material p. 56	Indicator n. 3 Table #3 of Annex I			
<b>ESRS S1-16</b> Unadjusted gender pay gap and weighted average gender pay gap paragraph 97 (a)	Non-material	Indicator n. 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
<b>ESRS S1-16</b> Excessive CEO pay ratio paragraph 97 (b)	Non-material	Indicator n. 8 Table #3 of Annex I			
<b>ESRS S1-17</b> Incidents of discrimination paragraph 103 (a)	Non-material	Indicator n. 7 Table #3 of Annex I			
<b>ESRS S1-17</b> Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Non-material	Indicator n. 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
<b>ESRS 2 – SBM-3 – S2</b> Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Material, not relevant	Indicators n. 12 and n. 13 Table #3 of Annex I			
<b>ESRS S2-1</b> Human rights policy commitments paragraph 17	Non-material	Indicator n. 9 Table #3 and Indicator n. 11 Table #1 of Annex I			

<b>Disclosure Requirement and related datapoint</b>	<b>Material/ Non-material datapoint to Raute</b>	<b>SFDR reference (1)*</b>	<b>Pillar 3 reference (2)*</b>	<b>Benchmark regulation reference (3)*</b>	<b>EU Climate Law reference (4)*</b>
<b>ESRS S2-1</b> Policies related to value chain workers paragraph 18	Non-material	Indicator n. 11 and n. 4 Table #3 of Annex 1			
<b>ESRS S2-1</b> Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Non-material	Indicator n. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
<b>ESRS S2-1</b> Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Non-material			Delegated Regulation (EU) 2020/1816, Annex II	
<b>ESRS S2-4</b> Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Non-material	Indicator n. 14 Table #3 of Annex 1			
<b>ESRS S3-1</b> Human policy commitments paragraph 16	Non-material	Indicator n. 9 Table #3 of Annex 1 and Indicator n. 11 Table #1 of Annex 1			
<b>ESRS S3-1</b> Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Non-material	Indicator n. 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
<b>ESRS S3-4</b> Human rights issues and incidents paragraph 36	Non-material	Indicator number 14 Table #3 of Annex 1			
<b>ESRS S4-1</b> Policies related to consumers and end-users paragraph 16	Non-material	Indicator n. 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			
<b>ESRS S4-1</b> Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Non-material	Indicator 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
<b>ESRS S4-4</b> Human rights issues and incidents paragraph 35	Non-material	Indicator n. 14 Table #3 of Annex 1			

Disclosure Requirement and related datapoint	Material/ Non-material datapoint to Raute	SFDR reference (1)*	Pillar 3 reference (2)*	Benchmark regulation reference (3)*	EU Climate Law reference (4)*
<b>ESRS G1-1</b> United Nations Convention against Corruption paragraph 10 (b)	Material, p. 58	Indicator n. 15 Table #3 of Annex 1			
<b>ESRS G1-1</b> Protection of whistle- blowers paragraph 10 (d)	Material p. 60	Indicator n. 6 Table #3 of Annex 1			
<b>ESRS G1-4</b> Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Material p. 61	Indicator n. 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)	
<b>ESRS G1-4</b> Standards of anti-corruption and anti-bribery paragraph 24 (b)	Material p. 57, 59	Indicator 16 Table #3 of Annex 1			

## EU Taxonomy

### Disclosures in accordance with the EU taxonomy regulation

The EU taxonomy is a classification system for environmentally sustainable activities. It was established to enable the achievement of the European Green Deal objectives and meet the EU's climate and energy targets for 2030. The environmental objectives to be promoted through sustainable activities are climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. For 2024 reporting, Raute has assessed the taxonomy eligibility and alignment of its activities based on the classification system and technical screening criteria for environmental objectives. Raute has identified taxonomy-eligible economic activities in relation to the "transition to a circular economy" objective. Currently, these economic activities do not, however, meet all the technical screening criteria.

### Assessment of taxonomy eligibility and alignment

#### Environmental objectives 1 and 2: Climate change mitigation and adaptation

The economic activities that have the greatest potential for climate change mitigation and adaptation are included in the climate change assessment criteria. The supply of wood processing equipment is not part of the climate change mitigation and adaptation measures referred to in Annex I of the EU Taxonomy, which means that Raute's products are not covered by the definition of environmental objectives 1 and 2. Raute's solutions related to improving energy efficiency are also not covered by the definition of activity 3.6 "Manufacture of other low carbon technologies", because the company is unable to prove taxonomy eligibility and alignment in terms of the technical screening criteria (GHG emission savings compared to the best performing alternative solution available on the market). Raute had capital expenditures related to climate change mitigation in 2024, which can be reported individually when they pertain to taxonomy-eligible investments. Raute

has invested in renewable energy (solar panels) as well as an electric forklift, replacing a forklift that operated on fossil fuels.

#### Environmental objective 4: The transition to a circular economy

Raute is committed to offering long-lasting, repairable and upgradeable production solutions that maximize the end product yield and minimize the amount of waste and side streams. Raute is able to extend the life cycle of its products with the help of product design, maintenance service concepts and digital solutions. These play a key role in optimizing resources. The company is also able to provide remanufacturing to maximize resource efficiency and extend the service life of existing production lines by repairing or replacing worn-out or outdated components and modules. With its solutions, Raute is able to contribute to the transition to a circular economy through taxonomy-eligible economic activities in accordance with the regulation (EU) 2020/852, Article 13.2.

Raute's taxonomy-eligible activities include the extension of production lines' life cycle with the help of the company's maintenance service concepts (modernizations and upgrades) and digital solutions. In addition to extending the life cycle, these service concepts optimize energy consumption and minimize waste and ensure uninterrupted operation of the equipment. Raute's production lines can be recycled at the end of their life cycle.

The taxonomy eligibility of the turnover from external customers was assessed in accordance with Annex II of the Regulation (EU) 2020/852 and the technical screening criteria of the Delegated Regulation (EU) 2023/2486 for the products and services presented below. The calculation of the percentage of turnover from taxonomy-eligible economic activities of total turnover is based on extending the life cycle of products with the help of maintenance service concepts and digital solutions, which play a central role in the optimization of resources. The taxonomy-eligible services account for 32.3 percent (2023: 39.6 percent) of Raute's turnover. In order to avoid double counting, Raute has allocated all analyzer products to category CE 4.1. Provision of IT/OT data-driven solutions. This reduces the amount of category CE 5.1. Repair, refurbishment and remanufacturing (% and €), as some of the analyzer projects are

major modernizations that extend the product's life cycle. Raute's operations do not meet all the technical screening criteria for taxonomy alignment and therefore taxonomy alignment is reported as zero.

#### CE 4.1. Provision of IT/OT data-driven solutions

In this economic activity, Raute includes the Analyzers business and MillSIGHTS software, which supports the Analyzers technology by collecting and analyzing product line data concerning the quality of the end product and the energy efficiency of the process. Raute's Analyzers camera technology enables the maximization of end product quality, optimization of energy consumption and minimization of waste, which meets the technical screening criteria for taxonomy eligibility. The MillSIGHTS software plays an important role in resource efficiency, production line performance analysis and quality control, and can also be used for remote monitoring, which meets the technical screening criteria for taxonomy eligibility. The economic activity as regards 4.1a includes turnover from the manufacture of production line analyzing and processing equipment, and the economic activity as regards 4.1f consists of turnover from the MillSIGHTS software. Raute's operations do not meet all the technical screening criteria for taxonomy alignment and therefore taxonomy alignment is reported as zero.

#### CE 5.1. Repair, refurbishment and remanufacturing

This economic activity includes planned repairs and consultation services, modernizations and upgrades for existing equipment. Raute offers modernizations (major upgrades that extend the service life of the entire line / machine component) for its own products and for products of other brands, which meets the technical screening criteria for taxonomy eligibility. The activity 5.1 includes turnover from maintenance services, remanufacturing and modernizations. All criteria for taxonomy alignment are not fulfilled, which is why taxonomy alignment is reported as zero.

#### CE 5.2. Sale of spare parts

Although the supply of wood processing equipment is not included in the NACE codes listed under this subsection, Raute sees that the supply of spare parts helps to extend the life cycle of machines and production lines, improve overall efficiency and save raw materials, which fulfills the technical

screening criteria for taxonomy eligibility. The activity 5.2 includes turnover from the sale of spare parts in accordance with the screening criteria. Taxonomy alignment is reported as zero, because the criteria related to packaging cannot be met.

#### **Operational and capital expenditures**

Operational and capital expenditures can be reported individually when they are directed at taxonomy-eligible investments. Raute has invested in renewable energy (solar panels) and an electric forklift to replace a fossil fuel-powered forklift, supporting climate change mitigation (3.6), which meets the criteria for taxonomy eligibility.

Raute's total operational expenditure includes research and product development costs, costs related to the maintenance and repair of the company's premises, and short-term leasing costs. These activities include, for example, building renovation and development projects. Raute did not have any taxonomy-aligned operational expenditures.

Raute's capital expenditures consist of investments in new equipment, technology or infrastructure, and research and development costs. Raute had capital expenditures of 6% in line with the taxonomy-aligned categories A and B.

## EU Taxonomy

## Proportion of turnover from products or services associated with Taxonomy-eligible and aligned economic activities

Financial year 2024	2024		Substantial contribution criteria						DNSH-criteria										
	Code	Turnover	Proportion of turnover, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1) or eligible (A.2) turnover, year N-1	Category enabling activity	Category transitional activity
Economic activities	MEUR	%	Y;N/N/ EL	Y;N/N/ EL	Y;N/N/ EL	Y;N/N/ EL	Y;N/N/ EL	Y;N/N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of other low carbon technologies																			
<b>A.1 Environmentally sustainable activities (taxonomy-aligned)</b>																			
Of which Enabling																			
Of which Transitional																			
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Provision of IT/OT data-driven solutions	CE 4.1	14.90	12,8%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL									12.8%
Repair, refurbishment and remanufacturing	CE 5.1	27.72	11,2%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL									11.2%
Sale of spare parts	CE 5.2	26.43	15,6%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL									15.6%
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>66.04</b>	<b>32.3%</b>	0,0%	0,0%	0,0%	0,0%	100 %	0,0%										39.6%
<b>A. Turnover of Taxonomy eligible activities (A.1 + A.2)</b>		<b>66.04</b>	<b>32.3%</b>	0,0%	0,0%	0,0%	0,0%	100 %	0,0%										
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		138.54	67.7%																
<b>Total</b>		<b>204.58</b>	<b>100,0%</b>																

EL = Eligible; N/EL = Non-eligible / Taxonomy non-eligible activity for the relevant environmental objective

Total turnover as per Raute group reported figures. Raute's principles for defining turnover and capital expenditure can be found in section 77-80 and 96-102 of the Financial Statements.

**Proportion of CapEx from products or services associated with Taxonomy-eligible and aligned economic activities**

Financial year 2024	2024		Substantial contribution criteria						DNSH-criteria										
Economic activities	Code	CapEx	Proportion of turnover, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1) or eligible (A.2) turnover, year N-1	Category enabling activity	Category transitional activity
	MEUR	%	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
<b>A.1 Capex of environmentally sustainable activities (taxonomy-aligned)</b>																			
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	KEL; E/KEL										
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	0.13	4.6%																
Manufacture of low-carbon technologies	CCM 3.6	0.04	1.4%																
<b>A.2 Capex of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>		<b>0.17</b>	<b>6.0%</b>																
<b>Total (A.1 + A.2)</b>		<b>0.17</b>	<b>6.0%</b>																
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		2.63	94.0 %																
<b>Total (A + B)</b>		<b>2.80</b>	<b>100 %</b>																

EL = Eligible; N/EL = Non-eligible / Taxonomy non-eligible activity for the relevant environmental objective

Total turnover as per Raute group reported figures. Raute's principles for defining turnover and capital expenditure can be found in section 77-80 and 96-102 of the Financial Statements.

**Proportion of OpEx from products or services associated with Taxonomy-eligible and aligned economic activities**

Financial year 2024	2024		Substantial contribution criteria						DNSH-criteria											
Economic activities	Code	OpEx	Proportion of turnover, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1) or eligible (A.2) turnover, year N-1	Category enabling activity	Category transitional activity	
	MEUR	%	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
<b>A.1 Opex of environmentally sustainable activities (taxonomy-aligned)</b>																				
Of which Enabling																				
Of which Transitional																				
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
EL; EL; EL; EL; EL; EL; N/EL N/EL N/EL N/EL N/EL N/EL																				
<b>A.2 Opex of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>		<b>n/a</b>	<b>0.0%</b>																	
<b>Total (A. 1 + A.2)</b>		<b>0</b>	<b>0.0%</b>																	
<b>B. TAXONOMY-NON ELIGIBLE ACTIVITIES</b>																				
Opex of Taxonomy-non-eligible activities		6.01	100 %																	
<b>Total</b>		<b>6.01</b>	<b>100 %</b>																	

EL = Eligible; N/EL = Non-eligible / Taxonomy non-eligible activity for the relevant environmental objective

Total turnover as per Raute group reported figures. Raute's principles for defining turnover and capital expenditure can be found in section 77-80 and 96-102 of the Financial Statements.

**Nuclear energy and fossil gas related activities**

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

## ENVIRONMENTAL INFORMATION

### E1 Climate change

#### Strategy

#### E1-1 – Transition plan for climate change mitigation

Raute has not yet prepared a more detailed climate change-related resilience analysis, climate scenario analysis, or climate change mitigation transition plan. A transition plan will be created and approved in 2025, and an analysis of the resilience of the company's strategy to climate change and a climate scenario analysis will be completed during 2026 at the latest. Neither Raute nor its sector are excluded from the EU Paris-aligned Benchmarks.

The material impacts associated with Raute's operations are related to physical climate risks, transition risks, climate change mitigation and energy consumption in the downstream value chain. The climate impacts are especially related to the use of steel and the life-cycle energy consumption of equipment manufactured by Raute. The greenhouse gas emissions from Raute's own operations and upstream and downstream value chain have a negative impact on climate change. Raute's investments in product development and maintenance service expertise and in the energy efficiency of production processes in the downstream value chain are examples of Raute's actions related to climate change mitigation. Service solutions related to extending the life cycle of Raute's equipment, such as maintenance activities, equipment upgrades and modernizations, reduce the life-cycle carbon footprint of the products. These service solutions reduce the need to manufacture new equipment and thus reduce greenhouse gas emissions, which supports global sustainable development goals. Raute's digital solutions also help optimize production processes and collect data on energy consumption and maintenance needs.

Raute's business model is focused on promoting resource-efficient production in the engineered wood products industry by offering complete mills, production lines and equipment and various service solutions to support customers. Sustainability is at the core of Raute's strategy. In addition to sustainable

economic growth, the goals of the strategy are the promotion of sustainability in the entire value chain, the acceleration of climate action, the innovation of advanced products and services to improve resource efficiency, the attraction and development of diverse expertise, and the promotion of health and safety. Raute's solutions will be related to production optimization, resource savings, energy efficiency and extension of equipment life cycle also in the future.

The emission reduction actions in Raute's own operations have focused especially on reducing scope 1 and 2 emissions. The emission reduction measures are described in more detail in Disclosure Requirement E1-3, and the targets related to these measures are described in more detail in Disclosure Requirement E1-4.

Raute's operations are likely associated with locked-in GHG emissions, primarily through Raute's current infrastructure and operations. A qualitative assessment of the potential locked-in GHG emissions from the key assets and products has not been conducted. This examination will be carried out at the same time as the transition plan for climate change mitigation is prepared.

Raute's transition plan for climate change mitigation will be prepared in 2025. The transition plan will be adopted by Raute's Board of Directors. In addition to risks, the transition plan examines long-term targets and the means to mitigate climate change and reduce own climate impacts, and evaluates the transition plan at a strategic level against business plans. Raute's Board of Directors will adopt the transition plan in 2026 at the latest.

#### E1-2 – Policies related to climate change mitigation and adaptation

Raute's environmental policy describes practices related to environmental themes that promote the environmental responsibility of the business. The environmental policy covers topics related to, for example, emission reductions, resource efficiency and the circular economy. Raute is committed to offering resource-efficient production and service solutions, promoting sustainable innovations and reducing negative environmental impacts. The policy serves to manage the

environmental risks related to the company's own operations and consider business opportunities. Raute aims to minimize its adverse environmental impacts at all of its sites, and in its products, services and value chain. All Raute's policies are global and cover all of the company's geographic locations. The policy is targeted at Raute's own operations and partly also at the upstream value chain. In addition to these policies and guidelines, Raute is preparing a supplier code of conduct, which complements Raute's general Code of Conduct.

Raute's environmental policy complies with the ten principles of the UN Global Compact initiative, which emphasizes the precautionary principle in responding to environmental challenges and the promotion of environmental responsibility, and encourages innovation and the deployment of technologies that reduce environmental impacts. Raute has identified the most significant sustainable development goals (SDG 8, 11, 12 and 13), which are contributed to through Raute's sustainability targets. The environmental policy was developed using internal stakeholders' views, customer demands and supplier survey responses. Raute's Chief Financial Officer is responsible for the implementation of the environmental policy. The policy is not publicly available, but it is available to the value chain parties as required. Supply chain operators, such as customers, often require a Code of Conduct as part of screening, and going forward, we will also provide our environmental policy when requested.

The environmental policy covers Raute's material climate impacts, risks, and opportunities. In its policies related to climate change mitigation and adaptation, Raute is committed to:

1. Minimizing adverse environmental impacts and protecting the environment by minimizing harmful emissions to air, water and soil.
2. Improving the performance of environmental management through energy and material efficiency, and by reducing waste and promoting the use of renewable resources where feasible.
3. Developing strategies to mitigate climate change-related impacts and improve climate resilience in its own operations and solutions.
4. Promoting the circular economy by designing products and processes that are long-lasting, repairable, upgradable and energy-efficient.

5. Supporting customers with solutions that optimize resource use.

In the environmental policy's section on climate change, Raute commits to minimizing the carbon footprint of machines and production solutions, and the carbon footprint of Raute's own operations. Raute's focus areas in product design are materials, repairability, durability and energy efficiency, which contribute to climate change mitigation at both the beginning and end of the value chain in all geographical areas related to Raute's business. In its own operations, Raute focuses especially on reducing the use of fossil fuels, improving energy efficiency and using renewable energy in all countries where it conducts manufacturing. Raute's most significant impact on climate change arises from indirect emissions (scope 3) at both the beginning and end of the value chain. Reducing indirect emissions requires significant strategic actions and investments, which will be addressed as part of the preparation of the transition plan for climate change mitigation. Raute is committed to setting ambitious GHG emission reduction targets. Through this policy, Raute commits to contributing to the reduction of identified climate change impacts, such as material and energy consumption and greenhouse gas emissions, in its own operations and value chain. The policy also supports the mitigation of identified financial risks by considering the development of company strategies to mitigate climate change impacts and improve climate resilience in its operations and solutions. At the same time, Raute commits through its policy to promoting identified opportunities related to energy and material-efficient solutions for customers and the promotion of energy efficiency in its own operations.

Raute's Executive Board approved the environmental policy at the end of 2024. The efficiency, progress and effectiveness of environmental actions are monitored with regular reviews. Training on the environmental policy and its practical implementation will be organized for employees in 2025.

**EI-3 – Actions and resources in relation to climate change policies**

In 2024, Raute focused its resources on, for example, reporting greenhouse gas emissions and collecting internal data, preparing the environmental policy, and the UN Global Compact

Climate Ambition Accelerator training program. In addition to these actions supporting the targets of these principles related to climate change mitigation and adaptation, Raute has set numerical emission reduction targets for scope 1 and 2 emissions during 2024 and assessed climate-related physical and transition risks.

In 2024, Raute implemented the below-listed decarbonization levers and actions to achieve its climate-related targets. Actions related to climate change mitigation affected Raute's own operations. During the reporting period, the actions related to climate change adaptation included creating the environmental policy, defining the targets in more detail, and a more detailed emissions calculation. Raute has focused its resources and prioritized the aforementioned actions during the reporting year 2024 to improve readiness in advancing the objectives and goals of the approved principles, as well as to prevent, mitigate, and correct identified actual and potential impacts, and to manage identified risks and opportunities. For this reason, planned future actions, their expected outcomes, and the time horizon of the measures have not been defined in the first reporting year. The additional actions related to climate change mitigation and adaptation and their financial impacts will be determined by the end of 2026 at the latest. Operational and capital expenditures related to climate actions in 2024 are described in more detail in the context of EU taxonomy reporting. Raute finances its operations primarily through cash flow. Raute does not have financial instruments allocated to the implementation of the sustainability targets in place.

A climate roadmap requires plenty of resources and information; hence, Raute began by calculating its scope 3 emissions. Already in early 2024, Raute decided that a transition plan will be prepared in 2025, when the operational expenditures (OpEx) and/or capital expenditures (CapEx) required for the implementation of the means and action plan will be available. For 2024, Raute does not have a longer-term plan for investments and funding, because the company does not yet have a transition plan.

Key actions implemented related to scope 1 and 2 emission reductions in own operations included investment in renewable energy (e.g., investments in solar panels), energy efficiency in

own operations, electrification of vehicles, and increasing the share of renewable energy in electricity procurement. These measures will continue to be utilized in the future. The work on defining scope 3 emission reduction actions is still ongoing. Additional information is needed on the most impactful emission reduction actions and the investments required for their implementation, for example, related to the product range. Scope 3 emission reductions will likely focus on improving the energy efficiency of equipment.

Actions to improve energy efficiency and reduce scope 2 greenhouse gas emissions downstream:

- Focus on positive ESG impacts in investment decisions concerning new projects updated as part of the investment process.

Actions to increase the use of renewable energy and reduce scope 1 and 2 greenhouse gas emissions in own operations:

- Expansion of PV panels, Finland. Increased use of renewable energy. EUR 128,400
- Investment in renewable electricity, Finland. Increased use of renewable energy. EUR 213,870
- Investment in the use of renewable energy in heating, Finland. Increased use of renewable energy. EUR 96,770

Actions to promote sustainable transport and reduce scope 1 and 2 greenhouse gas emissions in own operations:

- Replacing a diesel-powered forklift with an electric one, Finland. Promoting the scope 1 target, reducing emissions. EUR 39,800

Regarding scopes 1 and 2, a preliminary comparison of the impacts of emission reduction actions can be made, but due to the adjustment of the GHG emissions calculation and the delimitation of the calculation, we use 2024 as the official comparison year for the emission figures. Raute's transition plan for actions concerning climate change mitigation and decarbonization levers will be prepared in 2025. In connection with this, we will consider the actual and anticipated GHG emission reductions when describing the results of our climate change mitigation actions. With regard to scope 1 and 2 emission reductions, the actions concern the implementation of already identified measures. For scope 3 emission reductions, a more detailed assessment will be made in 2025.

In its own operations, Raute will continue to focus on climate change mitigation actions such as investing in product development and maintenance service expertise and the energy efficiency of production processes in the downstream value chain. Raute's solutions will concern production optimization, resource savings, energy efficiency and extending the life cycle of equipment also in the future. Raute's Lahti site uses only renewable energy in its production. At its sites, Raute will switch to using renewable energy by 2028.

#### **EI-4 – Targets related to climate change mitigation and adaptation**

Raute updated the goals and related metrics that advance the objectives of its climate change principles from 2025 onwards. The baseline year for emission reduction targets has been set as 2024. However, Raute's climate change mitigation and adaptation goals do not fully comply with the minimum disclosure requirements for targets, as a transition plan for climate change mitigation has not been made, and there was insufficient information available on identified physical risks and opportunities related to adaptation to set outcome-oriented targets. Raute's internal stakeholders were involved in updating the targets in the form of a workshop. External stakeholders were not directly involved in setting the targets.

Raute's emission reduction actions in its own operations have particularly focused on reducing scope 1 and 2 emissions. Raute updated its emissions reduction targets during 2024 and the necessary actions based on the restrictions set by the new sustainability reporting standard, which stipulates that limiting global warming to 1.5 degrees Celsius requires that emission reduction targets cannot use greenhouse gas removals, emission offsets, or avoided emissions. Raute's scope 1 and 2 emission targets for its own operations are in line with the Paris Agreement, but scope 3 emission reduction actions require an understanding of the overall picture, which can be obtained through the transition plan. In 2024, scope 3 emission calculations were carried out for the first time to determine the impact of these emissions and to create a benchmark for emission reductions. The emission reduction targets are not verified by an external party. In preparing the transition plan, we will take into account the development of the business and

operating environment and their potential impacts on greenhouse gas emissions and emission reductions.

To reduce actual negative climate impacts, Raute is committed to reducing scope 1 emissions from its own operations by 50 percent and scope 2 emissions by 80 percent from the 2024 baseline by 2030. The emission reduction targets are calculated as carbon dioxide equivalent tons and apply to all Raute operations and countries of operation. The set target means a total emission reduction of 725 tCO<sub>2</sub>eq by 2030 from the 2024 baseline of 944 tCO<sub>2</sub>eq. Within the emission reductions, scope 1 emissions would reduce by 50 tCO<sub>2</sub>eq and scope 2 emissions by 675 tCO<sub>2</sub>eq. For the scope 2 emission reduction targets, Raute uses the market-based method in emission calculations. The emission reduction target is in line with limiting global warming to 1.5 degrees Celsius in accordance with the Paris Agreement. The target setting tool of the Science Based Targets initiative (SBTi), for example, has been used to set the target. The tool makes it possible to calculate, in percentages, the minimum reduction target aligned with 1.5 degrees Celsius by 2030 based on the emission data provided by the company. There is no industry-specific decarbonization pathway for the sector represented by Raute.

To reduce actual negative climate impacts in Raute's value chain, scope 3 emission reduction and especially the reduction target aligned with 1.5 degrees require more detailed risk analysis, building scenarios, more detailed calculation of the energy consumption of products, and strategic discussions on the product portfolio. The intention is to promote this work in 2025 by implementing a detailed transition plan to support the emission reduction work, but especially to set the scope 3 emission reduction goal. Raute is currently looking into climate change mitigation actions and decarbonization levers, also considering improving energy efficiency and increasing the use of renewable energy.

Raute aims to increase the share of renewable electricity to 100 percent by 2028. The target applies to all Raute operations where it has operational authority, including Lahti, Kajaani, Delta, Changzhou, and Pullman, as well as the countries of operation. There is less influence on maintenance emissions, and their share of emissions is minimal. Extensive groundwork was carried out for the targets in 2024, but the targets will be

measured and assessed for the first time at the end of 2025. In some locations, transitioning to renewable electricity requires changing the current electricity contract, but in some of Raute's market areas, such as China, there are availability issues with renewable electricity. In Raute's North American locations, thermal energy is produced using fossil fuels through property-specific heating systems. Raute operates in rented properties, so the ability to influence the change in heating methods is limited, or the change would require significant investments in property technology.

Raute monitored the effectiveness of its climate actions in 2024 and will continue to monitor the effectiveness of emission reduction actions through emission calculations. Regarding scope 1 and 2, a preliminary comparison of the impacts of emission reduction actions can be made, but due to the adjustment of the GHG emissions calculation and the delimitation of the calculation, we use 2024 as the official comparison year for the emission figures. Raute will adjust its risk management measures and monitor their effectiveness on identified impacts, risks, and opportunities through internal management measures and a double materiality assessment update.

**E1-5 – Energy consumption and mix**

The figures describing energy consumption include all Raute operations in all countries of operation. Information on energy consumption and energy sources is derived from Raute's own measurements, energy companies, and property managers. Energy consumption data has not been verified by an external party.

Raute's Lahti and Kajaani sites have renewable electricity contracts, and the Lahti site uses renewable heat produced by the energy company. These sites have certificates of origin for renewable electricity and heat. Raute aims to increase the share of renewable electricity to 100% by 2028. The measures are related to material impacts, risks, and opportunities associated with energy use in Raute's own operations.

In terms of their climate impacts, Raute's business operations as a whole belong to the high-impact sectors listed in NACE Class 28.99 – Manufacture of other special-purpose machinery. Thus, the total net sales reported in Raute's financial statements are used to determine energy intensity.

<b>Energy consumption and mix</b>	<b>Comparative</b>	<b>Year 2024</b>
1) Fuel consumption from coal and coal products (MWh)		0
2) Fuel consumption from crude oil and petroleum products (MWh)		390.4
3) Fuel consumption from natural gas (MWh)		0
4) Fuel consumption from other fossil sources (MWh)		0
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)		3,360.2
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)		3,750.6
Share of fossil sources in total energy consumption (%)		40.8%
7) Consumption from nuclear sources (MWh)		0
Share of consumption from nuclear sources in total energy consumption (%)		0%
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)		0
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)		5,285.2
10) The consumption of self-generated non-fuel renewable energy (MWh)		161
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)		5,446.2
Share of renewable sources in total energy consumption (%)		59.2%
Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)		9,196.8

<b>Energy intensity per net revenue</b>	<b>Comparative</b>	<b>2024</b>	<b>% N / N-1</b>
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/monetary unit)		44.95 MWh/MEUR	

**EI-6 – Gross scopes 1, 2 and 3 and total GHG emissions**

Raute's scope 1, 2 and 3 GHG emissions have been calculated in accordance with the GHG Protocol using an external calculation professional and calculation tool. The emissions calculation covers the same Raute operations as the financial statements and sustainability statement. Direct (scope 1) GHG emissions arise from sources owned or controlled by Raute. These include the production of electricity for own use, leasing cars and other vehicles that use fossil fuels such as forklifts used for logistics. Indirect (scope 2) GHG emissions are caused by the production of electricity and heat for Raute's properties and manufacturing operations, as well as the electricity consumed by electric cars. The Lahti and Kajaani sites have renewable electricity contracts, and the Lahti site also uses renewable heat. These sites have certificates of origin for renewable electricity and heat. Other indirect (scope 3) GHG emissions result from the organization's activities, but they are caused by sources that the organization does not own or control. Other indirect GHG emissions include the GHG emissions from the upstream and downstream value chain. The scope 3 emissions calculation includes sold products' use-phase energy consumption, goods and services, business travel, transportation and distribution, investments, energy transfer losses, waste, and emissions resulting from the end-of-life treatment of sold products.

The scope 1 and 2 emissions calculation was based on accurate meter data on the use of electricity and heat, energy production, and the use of cars and production vehicles. The data for the emissions calculation is based on invoices and meters, statements received from designers and experts, internal reports and external databases (e.g. emission databases in emission calculations). In scope 2 emission calculations, both location-based and market-based methods were utilized. The scope 3 emissions calculation uses secondary emission data for the value chain. As regards the value chain, all material scope 3 emission categories have been taken into account.

The emission factors for the emissions calculation were obtained from high-quality sources:

- DEFRA (2024)
- Carbon footprint (2023)
- Energy suppliers' emission factors
- SYKE, Y-hiilari carbon footprint calculator, Finnair's emissions calculator
- Base Empreinte 2024 for materials
- US Environmental Protection Agency's GHG emission factors (2024)

The scope 3 emissions calculation includes measurement uncertainties. However, Raute has included all material sources in it and used primary data, for example cost data. The percentage of emissions for which primary data from suppliers or other value chain partners has been used has not been estimated. There are challenges in combining data collected from different sources, especially in relation to data formats and manual entries. The scope 3 calculation provides a comprehensive picture of Raute's operations, products and value chain. Raute is not currently planning to expand its scope 3 emissions calculation to other categories. The resources will be focused on improving the quality of the current emissions calculation.

In addition, the availability of data was a challenge in the emissions calculation. Many disclosure requirements required in-depth information about the sources used in our own operations or subcontractors' operations, which was not available. It is not possible to collect weight data for all purchased materials, in which case we use cost data in the calculation. We do not see significant uncertainties in the statement.

The scope 3 calculation data sources, assumptions and quality estimates of emission data are given in the table below:

Scope 3 emission category	Data sources and assumptions	Emission data (secondary, primary)	Reporting scope (included business units)
Category 1: Purchased goods and services	Primary data on services (€), secondary data on materials (estimated on the basis of the mass and composition of the end product)	Secondary data	<ul style="list-style-type: none"> <li>• Raute Finland</li> <li>• Raute China</li> <li>• Raute Canada</li> <li>• Raute US (Pullman)</li> <li>• Maintenance operations</li> </ul>
Category 2: Capital goods	Primary data on investments (€)	Secondary data	<ul style="list-style-type: none"> <li>• Raute Finland</li> <li>• Raute China</li> <li>• Raute Canada</li> <li>• Raute US</li> </ul>
Category 3: Fuel- and energy-related activities	Primary data (kWh/liters)	Secondary data	<ul style="list-style-type: none"> <li>• Raute Finland</li> <li>• Raute China</li> <li>• Raute Canada</li> <li>• Raute US</li> <li>• Maintenance operations</li> </ul>
Category 4: Upstream transportation and distribution	Secondary data (transportation assessed on a general level by delivery country and place of manufacture)	Secondary data	<ul style="list-style-type: none"> <li>• Raute Finland (Lahti, Kajaani)</li> <li>• Raute China</li> <li>• Raute Canada</li> <li>• Raute US (Pullman)</li> </ul>
Category 5: Waste generated in operations	Primary data on waste volumes (metric tons)	Secondary data	<ul style="list-style-type: none"> <li>• Raute Finland (Lahti, Kajaani)</li> <li>• Raute China</li> <li>• Raute Canada</li> <li>• Raute US (Pullman)</li> </ul>
Category 6: Business travel	Primary data (distance travelled, hotel nights or €)	Primary data for Raute Finland (flight, car rental), Delta (flight, accommodation, car rental), remaining, secondary data	<ul style="list-style-type: none"> <li>• Raute Finland</li> <li>• Raute China</li> <li>• Raute Canada</li> <li>• Raute US</li> <li>• Maintenance operations</li> </ul>
Category 7: Employee commuting	Not calculated, minor impact		
Category 8: Upstream leased assets	Not applicable, no emission sources in this category		
Category 9: Downstream transportation and distribution	Not calculated, transport is mostly organized by Raute. The impact of transport organized by customers is minor.		
Category 10: Processing of sold products	Not applicable, products are end products, no processing is required.		
Category 11: Use of sold products	Secondary data (estimated expected lifetime, total mass and user profile according to Raute's experts)	Secondary data	<ul style="list-style-type: none"> <li>• Raute Finland (Lahti, Kajaani)</li> <li>• Raute China</li> <li>• Raute Canada</li> <li>• Raute US (Pullman)</li> </ul>

Scope 3 emission category	Data sources and assumptions	Emission data (secondary, primary)	Reporting scope (included business units)
Category 12: End-of-life treatment of sold products	Secondary data (estimated total mass and main materials' composition according to Raute's experts)	Secondary data	<ul style="list-style-type: none"> <li>• Raute Finland (Lahti, Kajaani)</li> <li>• Raute China</li> <li>• Raute Canada</li> <li>• Raute US (Pullman)</li> </ul>
Category 13: Downstream leased assets	Not applicable, no emission sources in this category		
Category 14: Franchises	Not applicable, no emission sources in this category		
Category 15: Investments	Not applicable, no emission sources in this category		

In the future, the aim is to improve the accuracy level of emissions calculation in several different ways:

- By using more reliable and accurate data sources and primary data
- By automating the collection of data, which reduces the chances of human error
- By using standardized methods in data collection
- By building validation controls for data
- By improving the assessment methods as data volumes increase
- By clearly defining what data is excluded and why
- By consulting external experts to obtain more accurate assessments

Raute's operations do not produce direct biogenic scope 1 carbon dioxide emissions. Biogenic scope 2 carbon dioxide emissions are generated from biomass combustion for heat production at the Lahti and Kajaani sites in Finland, as well as from district heating production used at the Oulu and Espoo sites. The total amount of biogenic scope 2 carbon dioxide emissions was 1,152 tCO<sub>2</sub> in 2024. Biogenic scope 3 carbon dioxide emissions are generated from product lines sold in 2024 that are known to use biomass for heat production. The total amount of biogenic scope 3 carbon dioxide emissions was 1,681,820 tCO<sub>2</sub>.

Greenhouse gas emissions are calculated in carbon dioxide equivalents (CO<sub>2</sub>-eq.) and reported in metric tons of carbon dioxide equivalents (tCO<sub>2</sub>-eq.). The total revenue reported in Raute's financial statements is used to determine greenhouse gas intensity. The greenhouse gas emission calculations have not been verified by an external party.

Emissions table scope 1, 2 and 3	Retrospective				Milestones and target years		
	Base year	Comparative	2024	% N / N-1	2025	2030 (2050)	Annual % target / Base year
<b>Scope 1 GHG emissions</b>							
Gross scope 1 GHG emissions (tCO <sub>2</sub> eq)	100		100			50	
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	0		0				
<b>Scope 2 GHG emissions</b>							
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	1,483		1,483				
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	844		844			169	
<b>Significant scope 3 GHG emissions</b>							
Total Gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> eq)	877,300		877,300				
1. Purchased goods and services	15,592		15,592				
2. Capital goods	88		88				
3. Fuel and energy-related activities (not included in scope 1 or scope 2)	322		322				
4. Upstream transportation and distribution	948		948				
5. Waste generated in operations	177		177				
6. Business travel	1,761		1,761				
11. Use of sold products	858,187		858,187				
12. End-of-life treatment of sold products	224		224				
<b>Total GHG emissions</b>							
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	878,883						
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)	878,244						
<b>GHG intensity per net revenue</b>							
				Comparative		2024*	% N / N-1
Total GHG emissions (location-based) per net revenue (tCO <sub>2</sub> eq/monetary unit)						4,295.6 tCO <sub>2</sub> -ekv./MEUR	
Total GHG emissions (market-based) per net revenue (tCO <sub>2</sub> eq/monetary unit)						4,292.5 tCO <sub>2</sub> -ekv./MEUR	

\*Reference to financial statements appendix 1, page 76

## E5 Resource use and circular economy

### E5-1 Policies related to resource use and circular economy

Raute's environmental policy describes practices related to environmental themes that promote environmental responsibility. The policy addresses themes such as emission reductions, resource efficiency, and circular economy. In its environmental policy, Raute is committed to promoting the use of renewable resources when possible and the sustainable procurement of renewable natural resources. The policy does not outline a target to increase the use of secondary resources (recycled resources) or to reduce the use of primary resources. The policy serves to manage the environmental risks related to the company's own operations and consider business opportunities.

According to the environmental policy, Raute is committed to:

- Ensuring that all operations meet or exceed local, national and international environmental laws and regulations.
- Minimizing adverse environmental impacts and protecting the environment by preventing harmful emissions to air, water and soil.
- Improving the performance of environmental management through energy and material efficiency, and by reducing waste and promoting the use of renewable resources where feasible.
- Setting ambitious environmental targets and reporting regularly on environmental performance and progress in the achievement of the targets.
- Developing strategies to mitigate climate change-related impacts and improve climate resilience in its own operations and solutions.
- Cooperating with suppliers and other stakeholders to increase environmental awareness and support collective efforts to achieve environmental sustainability.
- Promoting the circular economy by designing products and processes that are long-lasting, repairable, upgradable and energy-efficient.
- Supporting customers with solutions that optimize resource use. Extending the life cycle of a production line through repairs, upgrades and modernizations saves natural resources and reduces greenhouse gas emissions.

In its environmental policy, Raute commits to improving energy and material efficiency, reducing waste and promoting the use of renewable resources where feasible. The policy covers the risks, impacts and opportunities related to environmental impacts and outlines the general principles for promoting environmental responsibility. Raute's environmental policy addresses risks, impacts and opportunities in both the company's own operations and value chain. Raute strives to establish and maintain a supplier network that actively wants to promote ethical business principles and practices.

Raute's environmental policy complies with the ten principles of the UN Global Compact initiative, which emphasizes the precautionary principle in responding to environmental challenges, the promotion of environmental responsibility, and the innovation and deployment of technologies that reduce environmental impacts. Raute has identified the most significant sustainable development goals (SDG), which it can contribute to through its targets (8, 11, 12, 13). The environmental policy was developed using internal stakeholders' views, customer demands and supplier survey responses. The environmental policy is global and covers all of the company's geographies. The policy is targeted at Raute's own operations and partly also at the upstream value chain. The Chief Financial Officer is responsible for the implementation of the environmental policy. The policy is not publicly available, but it is available to the value chain parties as required. The policy is discussed with stakeholders in the value chain in the context of maintaining normal business relationships.

Raute's Executive Board approved the environmental policy at the end of 2024. Once the environmental policy has been properly cascaded, regular reviews on progress and impacts will be drawn up to ensure the effectiveness of the company's environmental actions. In addition, it is important to ensure that all employees are aware of the environmental policy and their role in implementing it. To that end, training is provided to employees.

### E5-2 Actions and resources related to resource use and circular economy

Raute's actions related to resource use and circular economy in 2024 have mainly focused on Raute's core business and iden-

tified financial opportunities in improving resource efficiency downstream in the value chain and extending the lifecycle of products.

Raute offers its customers solutions related to the resource efficiency of wood use, in particular. Raute's entire production line is designed to minimize the amount of wood raw material ending up as waste or a side stream to ensure that the wood raw material used for the end product is utilized with maximum efficiency. The quality and handling of wood raw material are monitored and controlled efficiently, such that, for example, knotholes can be patched and the drying process can be optimized. The resource efficiency of wood raw material varies according to wood quality and degree of automation. The circular economy has been considered in the design of Raute's products by focusing on enabling a long life cycle, reparability, modularity and upgradability, as well as energy efficiency. Raute also carries out remanufacturing (customized upgrades and modernizations) to maximize resource efficiency and extend the service life of existing machines by repairing or replacing worn-out or outdated components and modules. This is the special expertise of Raute's professionals, based on more than a hundred years of experience in engineered wood products and the manufacturing process.

Raute has implemented 45 customized upgrade and modernization projects during 2024, which have supported the extension of the lifecycle of existing products. In 2024, Raute also carried out development actions focused on its own operations to promote the circular economy, which have created conditions for measures regarding identified impacts and risks, as described in the IRO table presented in section ESRS 2. These actions have included investments in resource efficiency in product development, both in terms of equipment and data analysis. Additionally, the company developed a comprehensive environmental policy, which considers resource use and circular economy, and was approved at the end of 2024. In 2024, Raute adopted sustainability-related evaluation criteria that emphasize positive impacts to support investment decisions related to product development.

Raute does not have any new planned actions related to resource use and circular economy. The overall development of actions related to the circular economy will be carried out in

2025, once climate-related assessments, such as the transition plan for climate change mitigation, have been completed. Raute sees that climate change and circular economy are strongly interconnected.

### Metrics and targets

#### E5-3 Targets related to resource use and circular economy

Raute has not set measurable, result-oriented, and time-bound targets related to resource use and circular economy. In 2024, Raute allocated its resources to enabling ESRS reporting, building processes, identifying risks and outlining various policies. Raute aims to set targets related to resource use and circular economy during 2025, once the implementation of the environmental policy has begun.

The setting of targets related to the circular economy requires extensive internal research and more detailed information on, among other things, the materials used in products. In 2024, Raute did not monitor the effectiveness of its policy and actions in relation to material sustainability impacts, risks, and opportunities. After setting the targets, Raute will track the effectiveness of actions in relation to the material sustainability-related impacts, risks and opportunities.

#### Internal development actions

In 2024, Raute carried out internal development actions related to the promotion of the circular economy. These actions included, for example, reporting on greenhouse gas emissions, use of renewable energy and development of resource efficiency in Raute's product solutions, and actions related to the collection of data, creation of processes and preparation of policies. In addition, the company prepared a comprehensive environmental policy, which was approved at the end of 2024. In 2024, Raute adopted specific responsibility criteria to support investment decisions related to product development.

#### E5-4 Resource inflows

Raute uses metal products in its manufacturing operations. The raw materials used by Raute are reprocessed steel products, other raw materials, components, and commodities. Roughly 95% of a product is metal. The impact of resource

inflows stems from the use of materials. Metallic materials in particular may cause financial risks through the additional costs resulting from regulations. Other risks include the availability of raw materials and price variations, regulatory compliance, supply chain disruptions and the adverse environmental impacts caused by materials.

Raute's upstream value chain includes the procurement of the necessary raw materials, such as steel, aluminum and other electronic components from reliable suppliers. The availability of high-quality raw materials is critical for ensuring the quality of the end-products. Raute's procurement department is responsible for the inflow and availability of resources. Procurement is a multi-step process aimed to ensure that the necessary materials and components are available for production at the right time and in the right place. The first step of the process is to determine what materials and components are needed for production. The designers are responsible for machinery and equipment design, and the drawings or component orders generated at this stage are communicated to the procurement chain through production planning. This includes raw materials, such as steel, and various components and parts needed for manufacturing the end-product. The raw materials or semi-finished products are transported to the plant and stored until processing. The metal parts are delivered as semi-finished products or parts or they are processed further by, for example, machining. The materials and components are inspected on arrival and stored appropriately, making sure that all the necessary parts are available for production. The products are often delivered to Raute surface-treated, that is painted or coated. At the final stage, the materials and components are used in production for the manufacture or assembly of end-products. This step typically includes multiple production processes, such as machining, welding and assembly. Raute uses water in machining and testing processes only, which means that overall water consumption is low. Correspondingly, Raute's supply chain includes manufacturing subcontractors and partners who take part in the production process. Raute's different sites can manufacture products directly for customers or act as one another's subcontractors, with one plant manufacturing partly finished products to be delivered to another plant for further processing, and a third plant assembling the final product. This approach enables specialization, efficiency improvement

and effective utilization of capacity. The end-products, i.e. pieces of equipment, are placed on large wood pallets, packaged in anti-corrosion plastic film and supported with both metallic and wooden parts for transport. They can also be packaged directly into containers.

Raute utilizes property, plant and equipment in multiple ways. Production equipment, machinery and cranes play an important role in the manufacturing process. Production equipment is used for, among other things, machining, welding and lifting. The company uses forklift trucks and other heavier vehicles for transporting metallic parts in the plant area. Raute operates in leased premises except for the Lahti unit. A significant part of Raute's personnel, from designers to employees in Group functions, work in office premises.

Raute has estimated that the total weight of the materials used for the products during the reporting period was around 3,905 tons. Of the materials used, 3,579 tons (91.7%) were steel. According to the suppliers, the purchased steel materials contain around 27% recycled steel, which means that the use of recycled steel amounted to some 969 tons. In addition to steel, the materials used in products are mainly technical materials, such as iron, aluminum, electrical and electronic components, as well as plastic and rubber. The amount of bio-based materials, such as wood packaging, is not available, for which reason the share of sustainably procured wood material is not available either.

Raute would be able to use recycled steel in its products, but the amount of recycled material in the products is limited due to the poor availability of recycled steel.

The availability of recycled steel is limited for a number of reasons. Firstly, demand for steel has increased significantly, putting more pressure on the availability of recycled steel. In addition, the longevity of steel products, such as construction materials and infrastructure components, means that recyclable steel becomes slowly available to the market. The use of recycled steel in steel production saves natural resources and reduces carbon dioxide emissions, but ore-based steel is still required, because recycled steel is not sufficiently available. Information on the amounts of rare earth elements and critical raw materials as defined by the European Union used by Rau-

te is not available. The systems used by Raute do not make it possible to separate these ingredients from the weight data of the hundreds of thousands of items.

Wood and plastic in particular are used in packaging, and sometimes metal if required. Raute uses different packaging materials both due to the large size of the products and to ensure adequate anti-corrosion protection for the products in different modes of transport and weather conditions. Raute's wood packaging ends up in the international markets, and it can be reused as such. However, Raute does not have the information on how the downstream value chain applies the cascade principle. Depending on the customers' local recycling opportunities, the anti-corrosion plastic packaging used for the weather protection of products during transport can also be recycled.

There are shortcomings as far as the resource inflow metrics (31a, 31b, 31c) are concerned, because all information is not available. Information on the amounts of packaging materials is not available, which means that information on the amount or weight of secondary material is not available either. The share of sustainably procured packaging materials is not available. The information on materials used in products has been obtained from Raute's own planning systems, suppliers and own calculations, but part of the weight data is based on averages. The total amounts of materials used in products and the shares of different materials and components have been collected on a delivery project basis. The information on inflows of materials is not at the level of detail required by the ESRS, and it is not possible to reach that level over the next few years, because changing the item-level management requires substantial resources and cannot be implemented on a best-effort basis. The existing information systems should undergo major changes to be able to clearly specify the share of the materials and weights in an item. Customizing products according to customer's wishes often requires one-off commercial items. Breaking down the weights of different materials in commercial items is difficult or impossible without the supplier's or manufacturer's assistance, which leads to additional costs.

### **E5-5 Resource outflows**

Raute's product portfolio consists of deliveries of factories and production lines, as well as individual machines and related parts to customers. In the design of Raute's products, emphasis is placed on durability, reparability, modularity, upgradability, and energy efficiency. Raute's solutions for optimizing resource use include extending the lifecycle of products through product design, enabling the reparability, upgradability, and modernization of equipment through maintenance services, and optimizing process resource efficiency with digital solutions. Raute's maintenance service models include spare parts sales, performance improvement projects, and product modernizations and upgrades, which maximize resource efficiency and extend the lifespan of existing machines. Even entire machines can be remanufactured if necessary. The greatest and most long-lasting impact comes from optimizing the production process implemented by Raute's machines, aiming to make the best use of the entire log's wood raw material and auxiliary materials (glue, water, energy, side streams) needed in plywood manufacturing. The decades-long lifespan of Raute's products supports resource efficiency, saves natural resources, and reduces greenhouse gas emissions.

The impact of resource outflows related to the products is related to the use of steel. The metallic materials required for the products may cause financial risks through regulatory costs (CBAM) or alternatively through the cost impact of carbon-free steel procurement. Other risks include the availability of raw materials and price variations, costs arising from regulatory compliance, supply chain disruptions and the environmental impacts caused by materials. Waste does not meet the definition of a material topic for Raute, but waste data is reported partly voluntarily.

Resource use also involves a business opportunity. The life cycle of Raute's products can be extended through product design, which enables, for example, repairability, upgrades and modernizations, and optimizes the resource efficiency of the process through digital solutions. When a long-term investment, such as a large machine, requires less maintainan-

ce and repairs, its life cycle costs may be lower. This is because equipment with a long life cycle reduces the need for frequent procurements and service interruptions, which improves cost-effectiveness in the long term. For more information, see the ESRS 2 standard as part of the Disclosure Requirement IRO-1.

All of Raute's production processes and products are designed with circular principles in mind, which means durability, reparability, upgradability and recyclability. Raute can also carry out remanufacturing according to customer needs. Among the circular strategies, Raute primarily applies ecological design, energy efficiency and the development of different technological solutions that make it possible for the customer to improve the utilization of wood raw material and end-product yield, thus minimizing the generation of waste and side streams.

Raute's own business models apply the product value retention strategy. The product design emphasizes the product's durability, i.e. long life cycle, which is extended further by taking into account reparability, maintenance, spare parts and upgradability. The life cycle of the products manufactured by Raute spans decades (typically 15–40 years), and to extend their life cycle, the products are repairable, modernizable and upgradable. Repairable and upgradable solutions offer customers opportunities to save resources throughout their life cycle. There is also a secondary market for the used machines. Raute's description of the definitions of the circular economy (e.g. the R10 strategies) are based on Sitra's Circular Economy Playbook. The playbook offers comprehensive guidance and strategies for developing the circular business, and it is targeted especially at Finnish companies. The information on the strategies is based on the playbook's definitions.

- Dryers: Average life cycle 30 y / Raute 30 y
- Composers: Average life cycle 25 y / Raute 35 y
- Scarf: Average life cycle 25 y / Raute 30 y
- Lathe: Average life cycle 30 y / Raute 30 y
- Patching: There is no average life cycle, because there is no similar product on the market / Raute 30 y
- Lay-up and pressing: Average life cycle 30 y / Raute 30 y

The environmental policy also takes into account the improvement of the efficiency of waste management and the use of the waste hierarchy. Raute's goal is to reduce the amount of waste and use resources efficiently. The waste types are sorted and treated in compliance with the EU's waste regulation principles and applicable regulations to maximize recycling and reuse.

Material outflows or the share of waste have not been calculated per product. The amount of recyclable material cannot be specified per product. There are shortcomings as far as the circular economy metrics are concerned, because all the data is not available. The circular economy metrics are subject to measurement uncertainty because waste data is incomplete and based on the waste reporting and invoicing of Raute's Lahti, Kajaani, Pullman and Changzhou units. For Delta, no waste data is available. The company will improve data collection and accuracy over the coming years based on data obtained from waste management companies.

The most significant waste streams from Raute's own operations are metal and wood waste generated at the Lahti site, which are directed to recycling. Materials included in Raute's waste also consist of biowaste, paper, cardboard, plastic, as well as electrical and electronic waste, and hazardous waste.

**Total amounts of waste generated from Raute's own operations in 2024**
**Raute waste tons**

Total amount of waste generated, tons	910
Total amount of waste diverted from disposal, tons	825
Total amount of non-hazardous waste	825
Non-hazardous waste, preparation for reuse	0
Non-hazardous waste, recycling	791
Non-hazardous waste, other recovery operations	34
Total amount of hazardous waste (incl. radioactive waste)	0
Hazardous waste, preparation for reuse	0
Hazardous waste, recycling	0
Hazardous waste, other recovery operations	0
Total amount of waste directed to disposal, tons	85
Total amount of non-hazardous waste	36
Non-hazardous waste, incineration	0
Non-hazardous waste, landfill	36
Non-hazardous waste, other disposal operations	0
Total amount of hazardous waste (incl. radioactive waste)	49
Hazardous waste, incineration	49
Hazardous waste, landfill	0
Hazardous waste, other disposal operations	0
Total amount of non-recycled waste, tons	119
Percentage of non-recycled waste, %	13%
Total amount of hazardous waste, tons	49
Total amount of radioactive waste, tons	0

## SOCIAL INFORMATION

### ESRS S1 Own workforce

#### S1-1 – Policies related to own workforce

The Raute Code of Conduct is supplemented by Raute’s global policies related to its own workforce. The management of the material impacts, risks and opportunities related to Raute’s own workforce is guided by the Code of Conduct, the occupational safety policy and the Respect in the Workplace policy. These policies cover Raute’s own workforce in its entirety. The Raute Code of Conduct provides Raute’s personnel, partners and stakeholders with clear instructions on responsible and ethical approaches. The Code of Conduct has been approved by Raute Group’s governance body with the highest decision-making authority, i.e. the Board of Directors, and it covers everyone at Raute from management to employees regardless of whether they are in permanent or fixed-term employment. Refreshment training in the Raute Code of Conduct is included in the annual mandatory training for the entire personnel. The Raute Code of Conduct training is also included in the orientation program for new employees. All the policies described above are global, covering all of Raute’s geographies and all of Raute’s own operations. Policies related to own workforce, such as the Respect in the Workplace policy and safety policy, are not publicly available. The subcontractors working on Raute’s premises will be required to follow the Code of Conduct and, going forward, also the safety policy and the Respect in the Workplace policy. The Code of Conduct is available on the company’s website. Raute Corporation’s Board of Directors and President and CEO are responsible for the implementation of the company’s Code of Conduct together with the Chief Financial Officer and the Chief People Officer.

In accordance with its Code of Conduct, Raute is committed to respecting human rights. Raute is aware of its responsibility for the management of the adverse human rights impacts from its operations and products and for the management of the adverse human rights impacts in its supply chain through its business relationships. Raute follows the principles of the United Nations Universal Declaration of Human Rights (UDHR) and supports the fundamental rights at work as defined by the

International Labor Organization (ILO), such as the freedom of association, the right to collective bargaining, elimination of forced labor, and equal opportunities and equal treatment of employees. Raute is also committed to promoting the UN Sustainable Development Goals (SDG) 8, 11, 12 and 13. Raute is committed to eliminating forced labor and forbids the use of child labor and requires its suppliers to follow the same principles. The Code of Conduct (updated in 2023) does not include a separate mention regarding human trafficking, but this will be added in 2025. Raute follows, in several respects, the OECD Guidelines for Multinational Enterprises, which means that many controls, the Code of Conduct and related processes are aligned with these guidelines. Raute is committed to continuously improving its processes and practices to be able to identify, prevent and mitigate the human rights impacts it may cause or to which it may contribute or be directly linked in both its own operations and its value chain. Raute is also committed to promoting equal opportunities and diversity, equity and inclusion at the workplace. The Raute Respect in the Workplace policy defines respectful behaviors at the workplace. The policy outlines what can be construed as harassment and discrimination and sets a zero-tolerance stance on all types of bullying. Raute promotes equal opportunities and values the diversity of its employees in terms of background, competence, education and experience. The company does not tolerate discrimination in any form. Training and skills development are necessary conditions for business activities, and there is no need to prepare separate policies for them, as promoting competence and an inclusive workplace culture is part of Raute’s values.

Safety is closely linked to human rights. Every person has the right to work in a safe environment without fear of accidents or incidents. In its occupational safety policy, Raute is committed to developing the work environment to make it as safe, healthy, and hazard-free as possible, and the company has focused on promoting safety and well-being by reducing risks at the workplace. The means to reduce work-related injuries include providing training, encouraging safety observations and reporting near-miss situations and other safety risks. In addition, there are risk assessment procedures to identify risks before starting work. Raute does not have a certified safety management system, but safety is managed systematically at each site. The special characteristics of assembly operations and

maintenance and service business have been considered in safety management. Raute complies with safety legislation and machine safety directives and standards in all the countries where it operates and in all its units to minimize safety risks.

#### Policies management

Raute ensures the implementation of its policies through internal training and communications. The Code of Conduct training is repeated annually with an emphasis on different topics. The target for sustainable business and Code of Conduct training coverage is 100%. The safety policy and the Respect in the Workplace policy were approved in late 2024. The training related to these policies will be implemented in 2025.

The basics of non-discrimination have been considered in the Code of Conduct and the Respect in the Workplace policy. According to the Raute Code of Conduct, discrimination based on race or ethnic origin, caste, nationality, religion or beliefs, disability, gender, sexual orientation, or other comparable reason is not tolerated. When making recruitment decisions, attention is paid to the candidates’ education, previous work experience, and knowledge and skills that are essential for performing the job. Raute’s recruitment practices, job profiles and job application criteria aim for non-discrimination. This ensures that no one is discriminated against based on gender, origin or other personal reason. In accordance with the Respect in the Workplace policy, Raute is committed to promoting inclusion and open communication in all personnel groups. Raute’s personnel does not include any particularly vulnerable groups or groups with specific needs that would require protection through specific guidelines.

Appropriate ways to raise concerns regarding policy violations are to discuss the matter with the supervisor, management or HR administration or to file a report through the electronic whistleblowing channel. This can also be done anonymously. Raute encourages reporting potential misconduct as early as possible so that the situation can be addressed. Raute does not tolerate retaliation against persons who raise their concerns in good faith, and that is why everyone can feel confident to do so. The whistleblowing channel makes sure that the reported cases are reviewed rapidly and taken seriously, and that they are addressed immediately when they are observed. The electronic whistleblowing channel is also available to ex-

ternal stakeholders working with Raute. Reports of suspected misconduct are investigated by a separately appointed Raute Ethics team. The reports of suspected misconduct are regularly reported to the Audit Committee of the Board of Directors. The information is also available to the Board of Directors. In terms of the company's own operations, the first step in 2024 was to draw up policies related to the whistleblowing practices, and in 2025, the focus will be on training and embedding the policies into the various processes. Raute's whistleblowing process meets the relevant statutory obligations.

**SI-2 – Processes for engaging with own workforce and workers' representatives about impacts**

Raute's employees are provided with training related to sustainability and responsible approaches, which is a way of engaging with employees. Raute considers the views of its own workforce in workforce-related decisions and on actual and potential material impacts. This occurs by engaging directly with Raute's own workforce or employees' representatives. Every site has its own well-established meeting practices. In addition, the management regularly organizes reviews related to the publication of financial results and the progress of the strategy. See the Standard ESRS 2 Disclosure Requirement SBM-2, Table 2. Stakeholder engagement.

Raute encourages its personnel to engage in inclusive and open interaction with the help of the Employees' Voice concept and the related approaches. Every employee has the opportunity to express their views and have their voice heard. In terms of the company's own personnel and employee representatives, examples of the main direct engagement methods include the company's personnel info sessions, strategy events and other events, supervisor communication, performance and development discussions, training and various personnel surveys, and intranet and other modern tools and internal newsletters. Personnel surveys are an essential part of the Employees' Voice concept. Each extensive personnel survey is followed by smaller pulse surveys. The extensive personnel survey carried out at the end of 2024 also included topics such as diversity and inclusion. Based on the results, development measures are defined in the work communities, and their implementation is monitored in the units and company ma-

agement. The results of the personnel surveys are one way to measure sustainability targets.

In all the countries where the company operates, Raute complies with local labor legislation and applicable collective bargaining agreements and engages in dialogue and cooperation at least to the extent that these require. In Finland, the collective agreements of the technology industry and other collective agreements, and shop stewardship, are one channel for collecting employees' views. Raute holds performance and development discussions with its personnel, collects feedback through personnel surveys and offers an anonymous channel for collecting feedback. The objectives of cooperation are to develop the company's operations and employees' opportunities to influence the company's decision-making concerning their work, working conditions and position in the company. We do not feel that our personnel include any particularly vulnerable groups or groups with specific needs that would require additional surveys targeted at them.

The Chief Financial Officer keeps the management, the Board of Directors and the Audit Committee up to date on sustainability topics and their progress. Responsibility for social topics lies with the Chief People Officer, assisted by the Safety Manager and their team. The Executive Board approves the annual plans and milestones, measures and budget. Sustainable development topics and metrics are regularly on the Executive Board's agenda. Raute's functions maintain the global policies for their own areas of responsibility. These policies are reviewed and approved by the Executive Board. Each of the six strategic sustainability priorities has a member of the Executive Board appointed as the person responsible for the topic. Raute's business management (Wood Processing, Service, Analyzers) and function management ensure that the employees' views and interests with regard to operations are considered. Engagement with employees and employee representatives is the responsibility of business management, operational management and HR management, each within their own areas of responsibility. For more information, see Standard ESRS2 Disclosure Requirement GOV-1.

**SI-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns**

Raute promotes an open and transparent culture and follows high ethical standards in its operations. These are maintained through training and by offering the opportunity to report any policy breaches. Raute has in place a Code of Conduct, whistleblowing channels, defined sanctions for retaliation, training and monitoring to protect whistleblowers. Raute encourages its personnel to report potential misconduct at an early stage, for example, through their supervisor or the HR department. If this is not possible, any suspected misconduct or violations of law can be reported through an electronic whistleblowing channel provided by a third party. Anonymous whistleblowing is also possible, and the system enables communication with an anonymous whistleblower. The whistleblowing channel is available for Raute's own personnel on the intranet and on the company's public website. Raute wants to make sure that issues are raised and can be addressed by offering as many channels as possible to raise issues.

Raute's line organization and HR administration are responsible for promoting open dialogue and the appropriate handling of concerns. Raute's personnel are trained in the use of the whistleblowing channel as part of the Code of Conduct training. For more information about the whistleblowing channel and the related structures and processes, see the Disclosure Requirement G1-1.

**SI-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

Health and safety, training and skills development, and diversity were identified as Raute's material sustainability topics related to own workforce.

All of Raute's material negative and positive impacts on people are described in the IRO table under the Disclosure Requirement ESRS2 SBM-3.

For the company's own workforce, the impacts include negative impacts related to occupational safety and health, as well

as positive impacts related to skills development, diversity of backgrounds and expertise. The material risks are similarly focused on the shortage of skilled workers. If Raute is unable to attract a diverse group of experts and engage the best technology specialists to support its growth strategy, the situation may lead to a lack of innovation and skilled workforce. The material opportunities for the company's own workforce are related to how occupational safety is a competitive advantage for the company and offers financial opportunities, as Raute promotes health and safety in its own facilities, products, and services, as well as in customer operations.

### Health and safety actions

In 2024, Raute advanced the multi-year safety culture program launched in 2023 to improve occupational safety. The program's objective is to develop a more inclusive safety culture, harmonize ways of working and prevent risks. Raute aims to identify the challenging areas in its current safety culture and create an action plan to resolve them. The program includes personnel surveys and safety assessments and gathering best practices and programs from both Raute's own and customers' sites. A development plan extending until 2028 was drawn up based on the safety priorities identified when the program was launched. Raute also hired a Group-level occupational safety manager to develop the activities. Safety reporting was developed and the reporting of safety observations, among other things, improved. These actions were applied to Raute's own operations internationally and partly also to the downstream value chain. LTIF (Lost Time Injury Frequency) improved on the previous year.

Raute's Group-level safety manager and local safety officers manage the material occupational safety topics and targets. Approaches and metrics related to safety, and safety events and observations are tracked regularly throughout the year. The sites' safety working groups or officers regularly analyze the current situation and determine safety-related development measures and targets also at the local level. Employees are provided with regular safety training.

Raute's target is to prevent all work-related injuries through daily safety practices (protective equipment, observation, checks) and by influencing behaviors, thus reducing the risks related to the work environment. The zero injuries target can be

achieved by assessing the risks related to the work, assimilating behaviors where safety is constantly observed, taking the initiative to address shortcomings and actively recording safety observations and near-miss situations. Activities are reinforced through training, but safety is primarily managed by leading by example, complying with the policies and reviewing accidents that have occurred and near-miss situations for learning purposes. As part of risk management related to occupational safety and job orientation, all Raute employees are provided with local safety orientation related to the hazards of the work environment.

Raute's global electronic system for recording and tracking safety observations, injuries, near misses, safety discussions and safety rounds supports the assessment and management of occupational safety risks. Entries to the system can be made by Raute's own workforce through the internal intranet and by external stakeholders using a separate link. Every injury, reported incident and near-miss situation is analyzed and corrective actions are taken based on the results. All recorded observations are handled by the responsible persons, and the handling of the observations is actively tracked.

Raute has mechanisms for the fast handling and remediation of occupational safety reports. Internal guidelines have been prepared for reporting injuries and internal communication, which outline what should be done. Investigation enables avoiding similar cases from repeating themselves and identifying potential shortcomings in safety management. The development areas arising from the investigations are shared within the company using various communication channels. Occupational safety observations are handled in their own groups to be able to eliminate or minimize the risks. Raute assesses the effectiveness of preventive and mitigating measures on various forums.

Raute does not have a certified safety management system, but safety is managed systematically at each site. The special characteristics of assembly operations and maintenance and service business have been considered in safety management. A systematic approach makes it possible to maintain a safe work environment. This includes collecting the safety feedback given by employees, regular 5S audits and making the necessary changes to practices and approaches. In addition,

production supervisors and project managers review occupational safety topics in weekly meetings and organize several safety discussions annually.

In addition, internal safety standards are subject to further development at Raute, and they will be considered in future training.

### Training and skill development actions

Training and skills development are key elements in Raute's strategy. To retain existing employees, they are offered opportunities to advance their career and develop their competence and good working conditions. In 2024, Raute launched the Performance Development Framework program to develop performance and the feedback culture. The program aims to strengthen personnel's job satisfaction and professional growth and align individual targets with Raute's strategic targets. So far, the program covers salaried employees in Raute's locations, and similar local practices are applied to other employees. The process under the program includes separate performance discussions, followed by development discussions. The performance discussion includes a review of previous performances, setting new targets in line with the Raute 2028 strategy and business units for the current year, and a discussion about Raute's values and ethical principles. The development discussions focus on learning and development, creating a personal development plan, reviewing the targets set earlier, identifying development areas and offering targeted support for learning and development. The personal reviews help guide the competence level at the individual, group and organizational levels and the content of the development programs. The development discussions help employees and supervisors together identify development areas, set clear targets and track progress. This interaction creates an environment where continuous improvement is possible and where everyone can develop. The implementation percentage of performance and development discussions is tracked regularly through the system. Raute encourages competence development based on the 70-20-10 model where 70% of learning takes place on the job, 20% in interaction with others and 10% through formal training. Raute announces vacancies to the personnel and encourages them to expand their competence through job rotation.

Well-being and a culture of continuous development are also promoted by offering flexible ways of working, such as flexible working hours and hybrid work, in the roles where this is feasible. Hybrid work gives flexibility as to where, how and when work is performed. Remote work offers flexibility to employees, increasing job satisfaction and well-being, which in turn improves motivation and commitment. Remote work promotes autonomous working, which develops employees' problem-solving skills and self-direction, while also enabling higher productivity.

Various training sessions, development plans and successor plans aim to ensure the availability and retention of skilled and diverse employees. Raute's competence development topics in 2024 were related to value-adding sales, occupational safety management, new ways of working in connection with the reform of the operations management system, and change management. Raute also developed its successor planning process for management.

To attract new talents, Raute participates in various recruitment events, such as the Future Talents Lahti program aiming to help graduates find employment in the Lahti region. Hyvinvointia ja jatkuvan kehityksen kulttuuria edistetään myös tarjoamalla joustavia työskentelytapoja, muun muassa liukuvaa työaikaa sekä hybridityötä niissä rooleissa, joihin tämä työskentelytapa soveltuu. Hybridityö mahdollistaa joustavuutta työntekemisen paikoissa ja tavoissa sekä työajan sijoittelussa. Etätyö tarjoaa työntekijöille joustavuutta, mikä lisää työtyytyväisyyttä ja hyvinvointia, mikä puolestaan parantaa motivaatiota ja sitoutumista. Etätyö edistää itsenäistä työskentelyä, mikä kehittää työntekijöiden ongelmanratkaisutaitoja ja itseohjautuvuutta sekä mahdollistaa tuottavuuden tehostamista.

#### Diversity development actions

Processes and practices related to training, recruitment, inclusion and new, modern ways of working are the responsibility of Raute's HR administration, and they are implemented and applied by line managers together with their teams. A key measure in 2024 to develop diversity and an inclusive work culture was the preparation and release of a policy (Respect in the Workplace policy). In 2025, the focus will be on implementing the policy and providing training. Making the most of a diverse team requires that personnel have the willingness and

the ability to value different perspectives and deal with cultural differences correctly. According to the 2024 personnel survey, diversity is seen as a strength for Raute. Based on that, Raute will support supervisory work and personnel in increasing awareness. Inclusive recruitment practices and the development of employer image create the conditions for successful recruitment. Raute will develop these practices further over the coming years.

#### Metrics and targets

##### **SI-5 –Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

Raute's targets related to its own workforce do not follow the ESRS 2 standard's Minimum Disclosure Requirements for Targets (MDR-T) for 2024. However, Raute has defined MDR-T-aligned targets and related metrics for its own workforce for 2025 and beyond. In 2024, Raute updated its targets related to its own workforce to align them with the MDR-T. In the area of social responsibility, Raute has defined as its sustainability targets developing the competence and supporting the well-being of its personnel, an inclusive and engaging work culture, a zero-accident ambition, the strengthening of safety with safety standards and management practices, and developing the life-cycle safety of solutions. Extensive groundwork was carried out for these targets in 2024, but the targets will be measured and assessed for the first time at the end of 2025. 2028 has been defined as the target year.

The Lost Time Injury Frequency (LTIF) is monitored as part of management remuneration. LTIF describes the number of work-related injuries leading to absence in relation to hours worked. The calculation takes into account all reported accidents to employees that cause at least one day of absence. LTIF is reported as the number of accidents per million working hours. Raute's LTIF for 2024 was 6.0.

#### Internal development measures

In 2024, Raute implemented internal actions to align its own workforce-related targets with the MDR-T. According to the Respect in the Workplace policy and the occupational safety policy, Raute is committed to promoting human rights, and

the related targets were approved at the end of 2024. Training in these policies will be organized for Raute's own personnel and the policies will be implemented in the different processes during 2025. For this reason, Raute has not assessed the effectiveness of its policies and actions for 2024. Raute tracks the effectiveness of internal development actions in relation to the material sustainability-related impacts, risks and opportunities. Examples of these tracking processes are the tracking of the coverage of development discussions and the metrics of the various occupational safety actions.

Raute carried out internal development actions to promote occupational safety in 2024. In 2024, Raute focused actions on the multi-year safety culture program launched in 2023 to improve occupational safety. The program's objective is to develop a more inclusive safety culture, harmonize ways of working and prevent risks. Dedicated policies and targets were drawn up for occupational safety matters and a global occupational safety manager was recruited.

Competence development was promoted through the creation of a dedicated process for development discussions by launching, in 2024, the Performance Development Framework program to develop performance and the feedback culture. The process under the program includes separate performance discussions, followed by development discussions.

**SI-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES**

All the information has been collected from Mepco in January 2025. The figures are reported as headcounts. The figures reflect the end of the reporting period, December 31, 2024. Almost all employees are permanent and full-time employees.

Employee headcount by gender*	Number of employees
Male	680
Female	103
Total headcount	783

\*The "other" category is not applicable.

\*Reference on figures on personnel in the Financial Statements, page 86.

Employee headcount by country*	Headcount	Female	Male
Canada	115	15	100
China	47	14	33
Finland	552	63	489
USA	27	8	19
All other employees (APAC/ EMEA / AME)	42	3	39
Total headcount	783	103	680

\*The "other" category is not applicable.

Employees by contract type, broken down by gender*	Female	Male
Number of employees, total	103	680
Number of permanent employees	83	629
Number of temporary employees	20	43
Number of non-guaranteed hours employees	0	8

\*The "other" category is not applicable.

\*Employment type "non-guaranteed hours" are workers to be called to work if necessary. Only used in Finland.

Turnover	2024
The total number of employees who have left the undertaking during the reporting period	122
Employee turnover rate	15,6%

\*All terminated employment relationships regardless of the reason for termination.  
\*The employee turnover rate takes into account all terminated employment contracts in relation to the total number of employees as of December 31, 2024.

**SI-9 – DIVERSITY METRICS**

Distribution of employees by age group*	
Total headcount	783
Under 30 years old	97
30–50 years old	441
Over 50 years old	245

\*Includes all employees, also Executive Board

Gender distribution in management*	Female	Male	Total
Gender distribution (headcount) at top management level	13	74	87
Gender distribution % of employees at top management level	14.9%	85.1%	100%

\*Raute's definition of management includes Line Managers. It does not include members of Raute's Executive Board.

\*The "other" category is not applicable.

**SI-14 – HEALTH AND SAFETY METRICS**

Safety metrics	
Percentage of people who are covered by health and safety management system*	100%
Number of fatalities as a result of work-related injuries and work-related ill health	0
The number of recordable accidents	16
Rate of recordable accidents**	10.7
Number of cases of recordable work-related ill health of employees	0
Number of days lost due to work-related accidents/injuries/fatalities/work-related ill health	153

The company will not report on non-employees in its sustainability report for the first year of preparation.

\*Raute has in place an ESRS-aligned systematic approach to safety management, which includes the necessary organizational structures, responsibilities, practices and procedures. Raute does not have a certified safety management system.

\*\*The figure is calculated by dividing the recorded work accidents by one million working hours. Working hours are estimated for Singapore and Finland. Actual working hours are used for other locations. Working hours are estimated based on previous years' realizations. The current system does not allow reliable tracking of actual hours.

## GOVERNANCE INFORMATION

### G1 Business conduct

#### G1-1 – Business conduct policies and corporate culture

Raute carried out an extensive double materiality assessment in accordance with the CSRD directive, ESRS standards and EFRAG’s guidelines. The process particularly considered the business activities, business relationships and geographies that may give rise to a heightened risk of adverse impacts. The process also encompassed the assessment of geopolitical risks. In addition, feedback from stakeholders was used in identifying impacts, risks and opportunities. The double materiality assessment covered the impacts, risks and opportunities related to Raute’s own operations and arising from business relationships across the value chain. The outcome of the double materiality assessment was also impacted by the company’s location, business activities and sector. Raute is a Finnish company headquartered in Lahti. Other sites are located in Kajaani (Finland), Changzhou (China), Delta (Canada) and Pullman (USA). The company operates in the wood processing industry and specializes in the supply of machinery and equipment for the manufacture of veneer, plywood and LVL (Laminated Veneer Lumber). Raute’s customers are veneer, plywood and LVL manufacturers whose products are used in areas such as construction, housing, international trade and the transport sector.

Among the G1 topics, corporate culture, and corruption and bribery were identified as material topics. In terms of business, the key risks are related to the prevention of corruption and bribery, which can lead to significant financial losses and serious damage to the company’s reputation, as well as financial consequences that can arise from a weak corporate culture. The material opportunities for business are related to the prevention and detection of corruption and bribery, which are supported through training. A supportive corporate culture was also identified as an opportunity, leading to higher engagement and retention. An ethical culture promotes collaboration, which increases productivity and overall business performance. An encouraging corporate culture increases commitment and thus co-operation and innovation, which in

turn improves productivity and business performance. Raute follows clear anti-corruption policies and procedures. Examples of these include the whistleblowing channels for reporting corruption and bribery incidents and whistleblower protection.

Raute’s double materiality assessment process and the criteria used are described in the standard ESRS 2 as part of the disclosure requirement IRO-1.

Raute’s operations and approaches are guided by the Code of Conduct. The Code of Conduct is supported by the Respect in the Workplace policy and anti-corruption policy approved in late 2024. All of the below-listed Raute policies are global and cover all the company’s geographies. The policies are targeted at Raute’s own operations and partly also at the upstream value chain. With the exception of the Code of Conduct, the policies are not publicly available. The Code of Conduct is available on the company’s website. In addition to these policies and guidelines, Raute aims to harmonize its minimum requirements for suppliers, combining them into a single global policy during 2025. Raute’s suppliers and partners must commit to this future policy.

#### Development actions to promote corporate culture

Raute’s key actions to promote corporate culture in 2024 included continuous training, communication about the reporting channel and handling of reports, discussions with stakeholders (especially suppliers) about the Code of Conduct, as well as the drafting of new policies and planning of training. Raute monitors the effectiveness of these policies and actions in relation to material impacts, risks, and opportunities related to sustainability.

The Code of Conduct addresses various sustainability themes, emphasizing how Raute wants to handle matters in daily business operations. Raute regularly communicates about the Code of Conduct and the reporting channel. The actions taken are targeted at the company’s own operations and the supply chain within the value chain. Training plays a central role in developing and ensuring a responsible corporate culture and business. Raute’s Code of Conduct training is conducted annually for the entire personnel. In addition to the basic content, the training emphasizes annually selected themes. In 2024, in addition to the Code of Conduct training, the personnel

completed training on data protection and data protection risks, occupational safety, and sustainable business.

The implementation of good governance is measured by the share of employees who have completed training related to the Code of Conduct. Training completion data is stored in Raute’s e-Learning service, and the share of employees who have completed the training is calculated in relation to the average number of Raute employees presented in the financial statements. The target is for 100% of the personnel to complete the training. In 2024, 97.6% of employees completed the training. Additionally, other training is offered on a case-by-case basis and according to business needs. In 2024, 54% of employees completed training related to sustainable business. In 2024, Raute has refined its Code of Conduct with more detailed guidelines on environmental issues, occupational safety, data security, respectful behavior, and bribery and corruption.

The number of reports received through reporting channels is monitored regularly. Raute develops and evaluates its corporate culture by fostering open communication with its key stakeholders. In 2024, Raute conducted a survey on sustainability risks with its key suppliers. A diverse group of suppliers responded to the survey, and based on the results, Raute is also developing its own sustainability work. The survey results are particularly used to develop minimum requirements for suppliers. In 2024, Raute conducted an employee satisfaction survey, which is detailed in the SI Own workforce section of the sustainability report. Raute will develop ways to evaluate its corporate culture in the coming years.

Policy	Policy description	Scope	Approving body + person responsible for implementation
Code of Conduct  Implemented in 2018, updated in 2023	The Raute Code of Conduct covers compliance with laws and regulations, respect for human rights, diversity and non-discrimination, and anti-corruption. Raute's goal is to offer a safe and healthy working environment and to promote environmental responsibility. Raute promotes equal opportunities and values employees' diversity and does not tolerate discrimination in any form. Raute is committed to fighting corruption and bribery and requires its suppliers to do the same. The impacts, risks, and opportunities related to the policy are described in the ERS2 IRO table.	Personnel	Board of Directors + CFO, CPO
Respect in the Workplace policy  Implemented in 2024	The Raute Respect in the Workplace policy is about committing to the promotion of diversity, equity and inclusion (DEI). This policy sets a standard on behaviors and expectations for all employees and partners worldwide. The policy entails zero tolerance for all forms of bullying, harassment and discrimination. It aims to create an environment where all employees have equal opportunities and where recruitment, promotion and evaluation processes are carried out equitably and without biases. The policy also encourages open communication and ensures that employees have efficient channels to raise concerns and issues. The impacts, risks, and opportunities related to the policy are described in the ERS2 IRO table.	Personnel	Executive Board + CPO
Whistleblowing process description and guidance  Implemented in 2023	Raute's whistleblowing process is based on the EU Whistleblower Protection Directive and the Finnish Whistleblower Act. The company encourages persons to report potential misconduct as early as possible. The whistleblowing channel makes sure that the reported cases are reviewed rapidly and taken seriously, and that they are addressed immediately when they are observed. The company does not tolerate retaliation against persons who raise their concerns in good faith and aims to promote a corporate culture where employees feel confident to raise concerns without fear of retaliation. The impacts, risks, and opportunities related to the policy are described in the ERS2 IRO table.	All stakeholders	Board of Directors + CFO, CPO
Anti-corruption guidelines  Implemented in 2024	The guidelines supplement Raute's actions against corruption in addition to the policies in the Code of Conduct. Raute has zero tolerance for corruption and bribery. The guidelines include concrete instructions and approaches that help personnel identify and prevent corruption. They are aligned with the policies laid down in the United Nations Convention Against Corruption (UNCAC). The impacts, risks, and opportunities related to the policy are described in the ERS2 IRO table.	Personnel	Executive Board + CFO
Environmental policy  Implemented in 2024	Raute's environmental policy focuses on emission reductions, resource efficiency, and circular economy. The policy promotes environmental responsibility by providing sustainable production and service solutions and reducing environmental impacts. The policy covers all Raute locations and partially the upstream value chain. Raute adheres to the principles of the UN Global Compact initiative and supports the Sustainable Development Goals (SDG 8, 11, 12, and 13). The policy is not publicly available but is accessible to value chain parties as needed. The policy is discussed with value chain parties in the context of maintaining normal business relationships. The impacts, risks, and opportunities related to the policy are described in the ERS2 IRO table.	Personnel	Executive Board + CFO
Supplier Code of Conduct  To be published in 2025	Some of the suppliers are already committed to complying with the Raute Code of Conduct. Raute wants to promote transparent and responsible practices throughout the value chain and to improve risk management. That is why Raute aims to harmonize its minimum requirements for suppliers, combining them into a single global policy during 2025. Raute's suppliers and partners must commit to this future policy.	Suppliers and partners	Executive Board + CFO

**Code of Conduct**

The Raute Code of Conduct provides clear instructions to personnel and sets a general framework for appropriate conduct and behaviors. Raute drew up its Code of Conduct in 2018 and revised its contents in 2023. The Raute Code of Conduct applies to all people working for Raute. Compliance with the Code of Conduct helps Raute ensure responsible business conduct and promote transparent and responsible practices throughout the value chain. The updates to the Code of Conduct are approved by Raute's Board of Directors. Raute Corporation's Board of Directors and President and CEO are responsible for the implementation of the company's Code of Conduct together with the Chief Financial Officer and the Chief People Officer.

The Code of Conduct highlights Raute's commitment to respecting human rights. Raute is aware of its responsibility to manage the adverse human rights impacts of its operations and products and in its supply chain. Raute follows the principles of the United Nations Universal Declaration of Human Rights (UDHR) and supports the fundamental rights at work as defined by the International Labor Organization (ILO), such as the freedom of association, the right to collective bargaining, elimination of forced labor, and equal opportunities and equal treatment of employees. Raute is committed to eliminating forced labor and forbids the use of child labor, and requires its suppliers to follow the same principles. The Code of Conduct (updated in 2023) does not include a separate mention of human trafficking, but this will be added in 2025. Raute follows, in many respects, the OECD Guidelines for Multinational Enterprises, which means that many of its controls, the Code of Conduct and related processes are aligned with these guidelines. Raute is committed to continuously improving its processes and practices to be able to identify, prevent and mitigate the human rights impacts it may cause or to which it may contribute or be directly linked in both its own operations and its value chain. Raute is also committed to promoting equality, diversity, belonging and inclusion at the workplace. Raute promotes equal opportunities and values the diversity of its employees in terms of background, competence, education and experience. The company does not tolerate discrimination in any form. The company also supports the UN Global Compact initiative and its ten principles related to human rights, labor rights, environmental protection and anti-corruption. The

company has identified its most significant sustainable development goals (SDG), which are linked to its own sustainability targets (8, 11, 12, 13).

**Whistleblowing channel**

Raute promotes an open and transparent culture and follows high ethical standards in its operations. These are maintained through training and by offering the opportunity to report any policy violations. Raute has in place a Code of Conduct, whistleblowing channels, defined sanctions for retaliation, training and tracking to protect whistleblowers. The whistleblowing channel helps maintain high ethical standards and makes it possible to intervene in and remediate grievances. Reporting misconduct is important as it helps fight fraud, avoid reputational damage and prevent the escalation of issues. Raute encourages its personnel to report potential misconduct at an early stage, for example, through their supervisor or the HR department. If this is not possible, any suspected misconduct or violations of law can be reported through an electronic whistleblowing channel provided by a third party. Anonymous whistleblowing is also possible, and the system enables two-way communication with an anonymous whistleblower. The whistleblowing channel is open both to Raute's own personnel and external stakeholders. The whistleblowing channel is available for the company's own personnel on the intranet and on the company's public website. Raute wants to support a corporate culture where employees feel safe and confident that they can raise concerns without fear of retaliation. In handling reports, the company follows the applicable whistleblower protection legislation and guarantees the necessary safeguards and controls to protect the whistleblower's personal data and make sure that the whistleblower is not subject to retaliation based on the report. Raute's whistleblowing process meets the relevant statutory obligations.

The whistleblowing process follows these steps:

1. Reports can be made through a supervisor, HR administration or an electronic whistleblowing channel. Raute recommends that whistleblowers provide their name when making a report to ensure a more effective investigation. Anonymous reporting is also possible, however.

2. The reported case is documented in the third-party system or a separate document, if the report was submitted using another channel.
3. When a whistleblower uses the electronic whistleblowing channel, they are given a personal code to track the status of the report. The system also enables communication with an anonymous whistleblower.
4. The Ethics team assesses whether the report provides enough information and whether the report needs to be investigated further.
5. If further investigation is required, an impartial investigator/investigation team is appointed.
6. The investigator collects the facts and carries out the investigation by, for example, interviewing and gathering background information.
7. The investigation results and the measures are documented and reviewed together with the whistleblower.
8. The Ethics team analyzes whether the case requires an update to the guidelines/general communications – the effectiveness of the actions is also assessed.
9. The Ethics team makes sure that the corrective actions are implemented together with the relevant organization. Retaliation of any kind against the whistleblower is prohibited.
10. All cases are documented and archived.

Raute's Ethics team handles the reports received through the whistleblowing channel confidentially and determines the necessary corrective actions to address the matter. The Ethics team is comprised of the Group's Chief Financial Officer, Chief People Officer and ESG Manager. The whistleblower is informed of the investigation of the case and potential follow-up measures. Reported cases are tracked anonymously through a separate case management report and they are reported to the company's Audit Committee. The Ethics team handles all reports and questions in its meetings. Once a report is received, the case is handled by the Ethics team and responsibilities for handling the case are allocated. Handling of a case must be initiated within four working days and a response must be given to the whistleblower no later than within three months, but the aim is to close cases as fast as possible. The whistleblowing channels are a regular communications topic.

The channel is available in three languages: Finnish, English and Chinese.

All reports submitted through the whistleblowing channel, including those related to suspected incidents of corruption and bribery, are first handled by Raute's Ethics team. If one of the Ethics team members has a conflict of interest in the reported case, the member recuses themselves from the investigation of the case right at the start. If necessary, they can also be denied access to the information concerning the case. The composition of the investigation team is decided case by case. On a case-by-case basis, a legal advisor is also employed in the investigations. Raute's Ethics team maintains a record of all submitted reports, investigation outcomes and conclusions, and recommended measures. The cases related to the whistleblowing channel are reported to the CEO without delay and to the Audit Committee twice a year.

Raute's personnel were trained in the use of the whistleblowing channel in 2023, when the current whistleblowing channel was adopted. In addition, the personnel was informed of the use of the channel on several occasions in 2024. Raute's personnel are also annually trained in the use of the whistleblowing channel as part of the Code of Conduct training. The Ethics team that receives the reports has also been provided with training in statutory matters related to the whistleblowing channel and confidentiality. The Ethics team regularly updates its competence.

#### **Whistleblower protection**

Raute wants to promote an organizational culture where employees feel confident to raise concerns without fear of retaliation. Raute has carried out several key measures to protect whistleblowers. According to its Code of Conduct, Raute ensures safe and confidential whistleblowing. Raute has developed comprehensive and transparent reporting practices that define the whistleblowing process and the safeguards provided to whistleblowers. The implementation of safe whistleblowing channels is an essential part of Raute's whistleblower protection. The external whistleblowing channel also offers the opportunity for anonymous reporting. For anonymous reports, the whistleblower's identity remains confidential throughout the handling process. Raute always carefully protects the

identity of whistleblowers and handles concerns discreetly and professionally.

Regular training of employees and supervisors is also a central part of Raute's whistleblower protection. The training emphasizes the importance of raising concerns, the whistleblowing process and the safeguards in place. This ensures that all employees and supervisors are aware of the importance of whistleblowing and know what to do in potential situations of misconduct. Raute also actively monitors signs of retaliation and, if any are observed, implements strict anti-retaliation practices to protect the whistleblowers. This holistic approach ensures that whistleblowers can raise their concerns safely and confidentially and that their rights are protected in all situations. Raute follows the Finnish laws passed to transpose the Directive (EU) 2019/1937 into national legislation, which means that the directive's legal requirements are applicable to Raute.

#### **Targets related to business conduct**

Raute had not set measurable, result-oriented, and time-bound objectives for conducting business in 2024. In 2024, Raute focused on the capability of reporting in line with the sustainability reporting standards and prepared business conduct targets and related metrics.

Raute has defined numerical targets for business conduct for 2025 and beyond. 2028 has been defined as the target year. The targets emphasize ensuring ethical business practices across the value chain, compliance with the minimum sustainability criteria for suppliers, supplier audits, the development of suppliers' reporting capability and approaches, maintaining a 100% coverage in the Code of Conduct training, effective management of risk management and promotion of R&D innovations related to the circular economy. Extensive groundwork was carried out for these targets in 2024, but the targets will be measured and assessed for the first time at the end of 2025. Raute's targets related to business conduct support the implementation of the Code of Conduct. The implementation of the business conduct targets will be monitored as of the beginning of 2025.

#### **G1-3 – Prevention and detection of corruption and bribery**

Raute has zero tolerance for corruption and bribery. This is outlined in the Raute Code of Conduct. Raute's personnel are required to fight corruption in all situations. The entire personnel participate in annual training that covers all areas of the Code of Conduct and addresses issues such as identifying and preventing corruption. The training uses an e-learning platform. In 2024, Raute trained its entire personnel in corruption and bribery-related topics as part of the Raute Code of Conduct training. Separate anti-corruption and anti-bribery training has not been implemented. The Code of Conduct training covers the corruption and bribery basics but does not include comprehensive and in-depth information about the topic. No separate anti-corruption and bribery training has been organized for the Board of Directors, but the Code of Conduct training covers all other members of the management and supervisory bodies.

Raute has not carried out a separate detailed analysis of the different businesses' exposure to corruption, but it will carry one out during 2025. Raute assesses that the operations particularly exposed to corruption include procurement, sales, project management, accounting and finance. Internal controls are in place for these areas when necessary. Training in the identified risky operations will be a focus in 2025, and for this reason, the training programs for risk operations will cover 0% of risk operations. In 2024, 97.6% of Raute employees completed the Code of Conduct training. Training completions are registered on the e-learning platform. The Executive Board approved new anti-corruption and anti-bribery principles in late 2024. Separate anti-corruption and anti-bribery guidelines based on the Code of Conduct describe different concrete situations where corruption could occur. This helps employees identify potential corruption situations beforehand.

Detecting corruption within the company requires both proactive and reactive measures. Raute's anti-corruption approach is based on zero tolerance. Clear practices and anti-corruption training are key factors. The implementation of internal controls reduces the risk of fraud. Raute carries out internal (when necessary) and external audits related to financial information and events and tracks completed transactions to detect any unusual actions. Raute's practices also include performing

unannounced audits especially in businesses exposed to corruption. In addition to these actions, material business risks are assessed as part of the company's risk management process and double materiality assessment.

Raute's whistleblowing channel is a key tool for detecting and handling potential incidents of corruption, in addition to the company's internal controls. The process for handling the reports received through Raute's whistleblowing channel covers all the steps from receiving a report to reporting the results. The whistleblower mechanisms offer a safe and anonymous channel for reporting suspected misconduct without fear of retaliation. Raute performs a thorough internal investigation if the whistleblower's report or the investigation reveals a potential incident of corruption. Raute is committed to co-operation with authorities. The co-operation includes submitting useful information for investigation and evidence purposes and assisting competent authorities in seizing the proceeds of the crime from the perpetrators and recovering these proceeds. For more information, see the section 'Whistleblowing channel'.

#### **Metrics and targets**

##### **G1-4 – Incidents of corruption or bribery**

No convictions or fines for violation of anti-corruption and anti-bribery laws were given to Raute or members of its personnel or supervisory bodies in the financial year 2024. The number of convictions is thus 0 and the number of fines is 0. To maintain this situation and support personnel, Raute's Executive Board decided to provide more detailed instructions and principles on corruption and bribery and offer targeted training for the identified risky operations going forward.

# CONSOLIDATED FINANCIAL STATEMENTS 2024

RAUTE CORPORATION  
Consolidated Financial Statements  
January 1–December 31, 2024

Raute Corporation's consolidated financial statements for January 1–December 31, 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations issued by IASB and accepted for application in the EU. Preparations have complied with the IAS and IFRS standards, as well as SIC and IFRIC interpretations, effective on December 31, 2024. The notes to the consolidated financial statements also comply with Finnish accounting legislation.

**CONSOLIDATED STATEMENT OF INCOME**

EUR 1,000	Note	1.1.-31.12. 2024	1.1.-31.12. 2023
<b>Net sales</b>	1	<b>204 583</b>	145 416
<b>Change in inventories of finished goods and work in progress</b>		<b>-1 478</b>	-478
<b>Other operating income</b>	6	<b>123</b>	641
Materials and services	3	<b>-101 131</b>	-63 695
Employee benefits expense	5	<b>-59 514</b>	-52 246
Depreciation and amortization	15	<b>-5 404</b>	-4 917
Other operating expenses	6	<b>-23 460</b>	-22 860
<b>Total operating expenses</b>		<b>-189 509</b>	-143 717
<b>Operating result</b>		<b>13 720</b>	1 863
Financial income	27	<b>2 102</b>	940
Financial expenses	27	<b>-688</b>	-1 008
<b>Financial expenses, net</b>		<b>1 415</b>	-67
<b>Result before tax</b>		<b>15 134</b>	1 795
<b>Income taxes</b>	8	<b>-3 024</b>	-445
<b>Result for the financial year</b>		<b>12 111</b>	1 350
<b>Result for the financial year attributable to Equity holders of the Parent company</b>		<b>12 111</b>	1 350
<b>Earnings per share for profit attributable to Equity holders of the Parent company, EUR</b>			
Undiluted earnings per share	23	<b>1.96</b>	0,22
Diluted earnings per share	23	<b>1.91</b>	0,22
<b>Shares, 1 000 pcs</b>			
Adjusted average number of shares	23	<b>6 123</b>	5 550
Adjusted average number of shares, diluted	23	<b>6 350</b>	5 597

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR 1,000	Note	1.1.-31.12. 2024	1.1.-31.12. 2023
<b>Result for the financial year</b>		<b>12 111</b>	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 at fair value through other comprehensive income	24	<b>-219</b>	-260
<b>Items that may be subsequently reclassified to profit or loss</b>			
Hedging reserve, hedge accounting	20	<b>-376</b>	19
Exchange differences on translating foreign operations	20, 21	<b>72</b>	-450
Income taxes related to these items	21	<b>44</b>	52
<b>Comprehensive income items for the period, net of tax</b>		<b>-479</b>	-639
<b>Comprehensive result for the financial year</b>		<b>11 632</b>	711
<b>Comprehensive profit for the financial year attributable to Equity holders of the Parent company</b>		<b>11 632</b>	711

**CONSOLIDATED BALANCE SHEET**

EUR 1,000	Note	31.12.2024	31.12.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	10	1 714	1 714
Other intangible assets	11	9 919	11 035
Property, plant and equipment	13	9 325	9 600
Right of use assets	14	5 800	6 869
Other financial assets	25	113	366
Deferred tax assets	9	3 217	5 566
<b>Total non-current assets</b>		<b>30 088</b>	35 151
<b>Current assets</b>			
Inventories	16	23 505	26 369
Accounts receivables and other receivables	2	24 863	25 779
Income tax receivable	2	42	1
Cash and cash equivalents	25	57 503	48 105
<b>Total current assets</b>		<b>105 913</b>	100 254
<b>TOTAL ASSETS</b>		<b>136 001</b>	135 405

**CONSOLIDATED BALANCE SHEET**

EUR 1,000	Note	31.12.2024	31.12.2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Equity holders of the Parent company</b>			
Share capital	20, 22	8 256	8 256
Own shares	20	-950	-950
Fair value reserve and other reserves	20	19 421	19 526
Exchange differences	20	613	541
Retained earnings	20	7 240	6 678
Result for the financial year	20	12 111	1 350
<b>Total equity attributable to Equity holders of the Parent company</b>		<b>46 692</b>	35 401
Convertible junior loan	20	3 000	3 000
<b>Total equity</b>		<b>49 692</b>	38 401
<b>Non-current liabilities</b>			
Deferred tax liability	9	46	33
Lease liability	14, 24	4 267	5 334
Provisions	4	424	563
<b>Total non-current liabilities</b>		<b>4 738</b>	5 930
<b>Current liabilities</b>			
Provisions	4	2 195	1 783
Current interest-bearing liabilities	24	-	-
Lease liability	14, 24	1 349	1 289
Current advance payments received	17	46 007	58 860
Income tax liability	17	1 687	1 974
Trade payables and other liabilities	17	30 331	27 168
<b>Total current liabilities</b>		<b>81 571</b>	91 074
<b>Total liabilities</b>		<b>86 309</b>	97 004
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>136 001</b>	135 405

**CONSOLIDATED STATEMENT OF CASH FLOWS**

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Proceeds from customers	189 845	179 455
Other proceeds from operating activities	123	-
Payments to suppliers and employees	-175 841	-141 980
<b>Cash flow before financial items and taxes</b>	<b>14 128</b>	<b>37 475</b>
Interest paid from operating activities	50	-75
Dividends received from operating activities	360	416
Interest received from operating activities	1 602	823
Other financing items from operating activities	-1 109	-554
Income taxes paid from operating activities	-961	543
<b>Net cash flow from operating activities (A)</b>	<b>14 071</b>	<b>38 628</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	-2 799	-4 486
Proceeds from sale of property, plant and equipment and intangible assets	386	60
<b>Net cash flow from investing activities (B)</b>	<b>-2 413</b>	<b>-4 426</b>
<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	-350	-1 631
Repurchase of own shares	-43	-950
Proceeds from current borrowings	-	-
Repayments of current borrowings	-	-6 729
Repayments of lease liability	-1 289	-1 284
Dividends paid	-603	-
<b>Net cash flow from financing activities (C)</b>	<b>-2 285</b>	<b>6 350</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>9 373</b>	<b>40 552</b>
increase (+)/decrease (-)		
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>48 105</b>	<b>7 618</b>
<b>Net change in cash and cash equivalents</b>	<b>9 373</b>	<b>40 552</b>
<b>Effects of exchange rate changes on cash</b>	<b>26</b>	<b>-65</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>57 503</b>	<b>48 105</b>

**Basis of preparation**

The cash flow statement has been generated using the direct method. The **cash flow from operating activities** includes payment from customers, other operating income as well as payments of supplies and services acquired. Cash flow from operating activities also includes payments to employees as well as interest paid and interest received from financial assets held for cash management. The cash flow from operating activities does not include accounts payable related to the investments.

The **cash flow from investing activities** includes expenses incurred for the acquisition of intangible and tangible assets and expenses for the acquisition of other assets that can be capitalized. The item also includes capital gains from sale of these assets on accrual basis.

The **cash flow from financing activities** includes monetary changes in equity in cash, dividends paid to shareholders during the period as well as withdrawals and repayments of loans.

**Cash and cash equivalents** comprise cash and cash equivalents which fall due in less than three months.

Foreign Group companies' cash flow statements have been converted into euros according to the weighted average exchange rate of the financial year.

Repayments of lease agreements are included in the cash flow from financing activities. The payment of the interest expense on the lease agreements is included in the operating cash flow. Payments and rents related to short-term leases and low-value leases are included in operating cash flow. These agreements are not taken into account when determining lease liabilities.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1 000 euroa	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 financial year</b>									
Result for the financial year	-	-		-	-	12 111	12 111		12 111
Changes in the fair value of financial assets at fair value through other comprehensive income				-219			-219		-219
Hedging reserve				-376			-376		-376
Exchange differences on translating foreign operations				-165	72	166	72		72
Income taxes related to these items				44			44		44
<b>Total comprehensive result for the period</b>	<b>0</b>	<b>0</b>		<b>-716</b>	<b>72</b>	<b>12 276</b>	<b>11 632</b>		<b>11 632</b>
Transfer of gain on disposals of equity investments at fair value through other comprehensive income to retained earnings							-		-
Convertible junior loan						-350	-350		-350
<b>Transactions with owners</b>									
Share rewards			53	611			664		664
Repurchase of own shares			-53				-53		-53
Dividends paid						-603	-603		-603
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>		<b>611</b>	<b>0</b>	<b>-953</b>	<b>-342</b>		<b>-342</b>
<b>EQUITY at Dec. 31, 2024</b>	<b>8 256</b>	<b>18 205</b>	<b>-950</b>	<b>1 216</b>	<b>613</b>	<b>19 351</b>	<b>46 692</b>	<b>3 000</b>	<b>49 692</b>

**COMPARISON PERIOD  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

1 000 euroa	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, 2023</b>	<b>8 256</b>	<b>5 711</b>	<b>0</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 financial year</b>									
Result for the financial year						1 350	1 350		1 350
Other comprehensive income items:									
Changes in the fair value of financial assets at fair value through other comprehensive income				-260			-260		-260
Hedging reserve				19			19		19
Exchange differences on translating foreign operations				-52	-398		-450		-450
Income taxes related to these items				52			52		52
<b>Total comprehensive items after taxes</b>	<b>0</b>	<b>0</b>		<b>-241</b>	<b>-398</b>	<b>0</b>	<b>-639</b>		<b>-639</b>
<b>Total comprehensive result for the period</b>	<b>0</b>	<b>0</b>		<b>-241</b>	<b>-398</b>	<b>1 350</b>	<b>711</b>		<b>711</b>
Transfer of gain on disposals of equity investments at fair value through other comprehensive income to retained earnings									
Convertible junior loan						-278	-278	3 000	2 722
<b>Transactions with owners</b>									
Net proceeds from directed share issue and rights issue		12 494					12 494		12 494
Share rewards				527			527		527
Repurchase of own shares			-950				-950		-950
Dividends paid							0		0
<b>Total transactions with owners</b>	<b>0</b>	<b>12 494</b>	<b>-950</b>	<b>527</b>	<b>0</b>	<b>-278</b>	<b>11 793</b>	<b>3 000</b>	<b>14 793</b>
<b>EQUITY at Dec. 31, 2023</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>

**GENERAL INFORMATION**
**Approval of the Consolidated Financial Statements**

On March 17, 2025, the board of Raute Corporation has approved these consolidated financial statements for the period January 1 - December 31, 2024 for publication. According to the Finnish Companies Act, shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting arranged after the statements have been issued. The Annual General Meeting also has the opportunity to make changes to the financial statements.

**Business and operational segments**

Raute Group ("the Group") is a technology and service company serving the wood products industry worldwide, whose core expertise is the manufacturing processes of selected wood products. Raute's customers are companies operating in the wood products industry, whose wood products include veneer, plywood, LVL and sawn timber.

Raute's full-service concept is based on product lifecycle 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 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.

Raute's head office is located in Lahti (previously the municipality of Nastola), Finland. Its other production plants are in Kajaani, in Vancouver area in Canada, in Changzhou region in China, and in Pullman, Washington state, USA. The company's sales network has a global reach.

**Preparation of consolidated financial statements**

Raute Corporation's consolidated financial statements for January 1–December 31, 2024 have been prepared by IASB in accordance with the International Financial Reporting Standards, IFRS, accepted for application in the European Union. Preparations have complied with the IAS and IFRS standards, as well as SIC and IFRIC interpretations, effective on December 31, 2024.

All figures are presented in thousand euro, unless otherwise stated. Due to the rounding of the figures in the financial statements 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.

Raute Corporation's consolidated financial statement information is available online at [www.raute.com](http://www.raute.com) or at the head office of the Parent company, Rautetie 2, 15550 Nastola, Finland.

**Parent company**

Raute Group's Parent company, Raute Corporation, is a Finnish public limited liability company established in accordance with Finnish law (Business ID FI01490726). Combined series shares are listed on Nasdaq Helsinki Ltd, under Industrials. Raute Corporation is domiciled in Lahti. The address of its registered office is Rautetie 2, FI-15550 Nastola, and its postal address is P.O. Box 69, FI-15551 Nastola.

**Amendments to accounting principles of consolidated financial statements and information to be presented**

The consolidated financial statements have been prepared according to the same accounting principles as in 2023, except for the adoption of new and revised standards. The effects of changes in the accounting standards have been presented on page 73-74. No new material standards or interpretations have been adopted.

**Preparation of consolidated financial statements**

The consolidated financial statements include the financial statements of the Parent company Raute Corporation and the financial statements of those subsidiaries in which the Group has control. The Group controls an entity when the group is exposed to or has rights to variable returns from its involvement with the entity. And if the Group has the ability to affect the variable return through its power over entity. The existence and effect of potential voting rights that are at the time of the review exercisable or convertible are considered when assessing whether the Group has control in the other compa-

ny. In Raute Group, control is based on share ownership that represents more than 50 percent of the voting rights according to the main rule. Subsidiaries are fully consolidated in the consolidated financial statements from the date on which the Group gained over them and de-consolidated from the date that control ceases

**Business combinations** have been entered using the acquisition method. The consideration paid for the acquisition of a subsidiary is determined as the fair value of the transferred assets, liabilities incurred and equity interests issued by the Group. The consideration transferred contains the fair value of the asset or liability that results from the contingent consideration arrangement. Expenditure related to the acquisition is recognized as an expense when it is incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed by the business combination, have been measured at the acquisition-date fair value. Non-controlling interests have not been recognized in business combinations.

Business transactions, receivables and liabilities, and unrealized profits between Group companies have been eliminated. Unrealized losses have also been eliminated. Where necessary, the accounting principles of the subsidiaries have been changed to comply with the Group's accounting principles.

The allocation of the profit or loss for the financial year to the equity holders of the Parent company has been presented in connection with the comprehensive income statement.

The consolidated financial statements have been presented in euros, which is the Parent company's functional and presentation currency. The figures concerning the profit or loss and financial position of the companies combined under the consolidated financial statements have been recorded in the currency of the country in which that company operates (functional currency).

<b>Group companies</b>	<b>Group's ownership interest and voting power, % in 2024</b>	<b>Group's ownership interest and voting power, % in 2023</b>	<b>Parent company's ownership interest and voting power, % in 2024</b>	<b>Parent company's ownership interest and voting power, % in 2023</b>
Raute Corporation, Lahti, Finland (parent company)				
EAI Raute Holding Oy*				
Raute Canada Ltd., Delta, B.C., Canada	100	100	100	100
Raute Inc., Delaware, USA	100	100	100	100
Raute US, Inc., Monroe, Louisiana, USA	100	100	-	-
RWS-Engineering Oy, Lahti, Finland	100	100	100	100
Raute Group Asia Pte Ltd., Singapore	100	100	100	100
Raute WPM Oy, Lahti, Finland	100	100	100	100
Raute Chile Ltda., Concepción, Chile	100	100	50	50
Raute Service LLC, St. Petersburg, Russia	100	100	-	-
Metriguard Technologies, Inc., Pullman, Washington, USA	100	100	-	-
Hiottu Oy, Oulu**	-	100	-	100
Raute (Changzhou) Machinery Co., Ltd, Changzhou, China	100	100	100	100
Raute Service Indonesia, Indonesia	100	100	99	99

\*Evi 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.

\*\*Hiottu Oy merged with Raute Corporation on 31 December 2024.

**Financial statements in foreign currency**

The income statements of foreign subsidiaries have been translated into euro using the weighted average exchange rates the fiscal year and balance sheets have been translated at the average rate on the balance sheet date. Translation of income and comprehensive income at different exchange rates in the income statement and in the balance sheet results in translation differences which have been recognized in the balance sheet under equity, the difference of which has been recognized in the other comprehensive income items. The translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from the translation of equity items accumulated after the acquisition have been recognized in the other items of the comprehensive income. On partial or full disposal of a subsidiary, the accumulated translation differences have been recognized through profit or loss as part of the gains or losses from disposal.

The exchange rates used for the consolidation of subsidiaries have been presented in the table Exchange rates used in consolidation.

**EXCHANGE RATES USED IN CONSOLIDATION OF SUBSIDIARIES**
**Income statement Jan. 1-Dec. 31**

euro	2024	2024
CNY	<b>7.7861</b>	7.6591
RUB	<b>101.1328</b>	92.8571
CAD	<b>1.4816</b>	1.4596
USD	<b>1.082</b>	1.0816
SGD	<b>1.4457</b>	1.4523
CLP	<b>1020.8358</b>	907.9625
IDR	<b>17145.523</b>	17079.71

**Balance sheet at Dec. 31**

euro	2024	2023
CNY	<b>7.5833</b>	7.8509
RUB	<b>113.008</b>	98.596
CAD	<b>1.4948</b>	1.4642
USD	<b>1.0389</b>	1.105
SGD	<b>1.4164</b>	1.4591
CLP	<b>1033.57</b>	979.4
IDR	<b>16820.88</b>	17079.71

**EVENTS DURING THE FINANCIAL YEAR**

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 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. 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 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.

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 Piiik 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.

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.

**EVENTS AFTER THE FINANCIAL YEAR**

On January 8, 2025, Raute announced that Hiottu Oy has merged into Raute Corporation on December 2024 as planned. The merge was announced on August 16, 2024.

On January 10, 2025, Raute announced that charges against a member of the Board of Directors of Raute in a Ramirent Oyj related matter have been dropped. According to the information that Raute Corporation has received, the public prosecutor has decided to drop charges related to suspected securities markets offences against Laura Raitio, who is a member of the Board at Raute Corporation. The matter did not relate to Raute Corporation nor have had an effect on the work of the Raute Board.

On January 23, 2025, the Shareholders' Nomination Board proposed to the Annual General Meeting 2025 that Raute's Board of Directors would consist of seven members. The Nomination Board proposed that Laura Raitio, Licentiate of Science (Technology), would continue to be elected as the Chair of the Board of Directors and Joni Bask, M.Sc. (Tech.), would continue to be elected as the Vice Chair of the Board of Directors. It is proposed that Ari Harmaala, M.Sc. (Eng.), Mikko Kettunen, M.Sc. (Econ.), Julius Manni, M.Sc. (Econ.), Ari Piiik, M.Sc. (Econ.), and Jenni Virnes, M.Sc. (Eng.), be re-elected as members of the Board of Directors.

On February 13, 2025, Raute announced to initiate a share repurchase program based on the authorization received from the Annual General Meeting on April 4, 2024. The purpose of the share repurchase program is to optimize Raute's capital structure through reduction of capital. The repurchase of

shares will reduce Raute's unrestricted equity. The repurchased shares will be cancelled. The maximum number of shares to be repurchased is 100,000 shares, corresponding to approximately 1.6% of the total number of shares. A maximum of EUR 1,350,000 will be used for the repurchase of shares. The share repurchase will commence on February 17, 2025, at the earliest and will end no later than August 17, 2025.

On February 19, 2025, Raute announced 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.

### **Critical accounting judgments of the company management and key sources of estimation uncertainty**

When preparing the consolidated financial statements in compliance with International Financial Reporting Standards, the company management has made certain estimates and assumptions. In addition, the management has exercised its judgment in selecting and applying the accounting policies. These estimates and assumptions have affected the assets and liabilities in the Group's balance sheet, the disclosure of commitments and possible assets in the consolidated financial statements, and income and expenses for the financial year.

Because the estimates have been based on management's best knowledge at the reporting date, and they comprise risks and uncertainties, therefore actual results may differ from these estimates. Possible changes in estimates and assumptions have been recognized in the financial year in which the estimate or assumptions has been changed. Management has to identify the differences between changes in accounting principles and changes in accounting estimates. Identifying these differences is important due to the fact that changes in accounting estimates are adopted on non-retrospective basis for forthcoming transactions and other future events, whereas changes in accounting principles are generally adopted on retrospective basis for the past transactions and other past events or events in the financial period.

Raute's management is not aware of any key estimation uncertainty or key assumptions concerning the future until the publication date of the financial statements that would cause a significant risk for assets and liabilities carrying values being materially changed during the following financial year. The judgments the management has used, when applying the accounting policies and which has the most significant impact on the financial statements, has been presented in the note it concerns. The management estimations have been presented in:

Notes for the financial items that typically have the greatest impact on the figures presented in the financial statements

- Reservations, page 85, Note 4
- Employment benefits, page 86
- Group goodwill, page 95, Note 10
- Other intangible assets, page 96, Note 11
- Accounts receivable – Assets based on customer contracts, page 83, Note 2

Notes for the financial items that typically contain a significant risk that the book values of assets and liabilities will change substantially during the next accounting period

- Amount of performance obligations to be satisfied over time, page 78, Note 1
- Accounts receivable – Assets based on customer contracts, page 83, Note 2
- Income taxes, page 93, Note 8
- Research and development expenses, page 98, Note 12
- Financial assets, pages 118, Note 25

**IFRS-standards that have been published and are valid in reported financial periods**

International Accounting Standard Board (IASB) and International Sustainability Standards Board (ISSB) have published new or revised IFRS-standards and interpretations or amendments, which the Group has applied since the beginning on the date that each standard and interpretation comes into effect. If the effective date is a date other than the first day of the financial year, the Group has applied the standard at the start of the financial year following the effective date.

**IFRS**
**Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-Current Liabilities with Covenants – Amendments to IAS 1**

In January 2020, the Board issued the amendments 'Classification of liabilities as current or non-current' to IAS 1 (2020 amendments). The Board further issued, in October 2022, amendments 'Non-Current Liabilities with Covenants' to IAS 1 (2022 amendments).

According to IAS 1, to classify a liability as non-current, an entity must have the right to defer settlement of the liability for at least twelve months after the reporting period. The amendments clarify that:

- the classification of financial liabilities as current or non-current is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendment may affect the classification of group's liabilities which were previously classified based on management's intentions, and
- the settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash or other economic resources or the entity's own equity instruments unless the settlement option is classified as equity. The amendment may impact the presentation of the group's certain convertible instruments.

The right to defer the settlement of a loan by 12 months from the reporting period is commonly conditional to compliance with covenants. The 2022 amendments clarify that covenants of loan arrangements which an entity must comply with only

after the reporting date do not affect the classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The 2022 amendments introduce additional disclosure requirements on loans which contain covenants.

The amendments were applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors standard being effective at 1 January 2024. Revised standard did not have a significant impact on Raute Corporation's consolidated financial statements.

**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**

The IASB issued narrow-scope amendments to requirements for sale and leaseback transactions in IFRS 16 explaining how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate were most likely to be impacted.

**Amendments to IFRS 7 and IAS 7: Supplier finance arrangements**

The IASB issued new amendments concerning supplier finance arrangements. These amendments bring IFRS 7 and IAS 7 two new disclosure objectives: these are disclosing information concerning supplier finance arrangements in a way that the users of financial statements are able to assess the effects of those arrangements to the entity's liabilities and cash flows, and on the other hand, for its exposure to liquidity risk. The amendments were applied at 1 January 2024. Revised standards did not have a significant impact on Raute Corporation's consolidated financial statements.

**Other standards and interpretations effective during the financial period**

Other published and future IFRS-standards did not have a significant impact on Raute Corporation's financial statements.

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

International Accounting Standard Board (IASB) has published new or revised standards and interpretations or amendments, which the Group will apply at the beginning on the date that each standard and interpretation comes into effect. If the effective date is a date other than the first day of the financial year, the Group applies the standard at the start of the financial year following the effective date.

**Amendments to IAS 21: Lack of exchangeability**

The IASB has issued new amendments to IAS 21 concerning occasions where an entity uses a foreign exchange spot rate when translation transactions in foreign currencies. According to the amendment, the entity usually has market information available for the spot rate, but in the occasions where there is lack of exchangeability, the entity needs to assess the right useable spot rate based on current market circumstances and market participants prevailing at the date. The amendments are applied when they are effective estimated at 1 January 2025. Revised standard will not be expected to have a significant impact on Raute Corporation's consolidated financial statements.

**Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments**

IASB has issued amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The amendments are effective for reporting periods beginning on or after 1 January 2026. Revised standard will not be expected to have a significant impact on Raute Corporation's consolidated financial statements.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 was issued in May 2024. The standard concerns the disclosures of certain kind of subsidiaries. The standard makes possible that these subsidiaries can adopt IFRS accounting standards in a way that their disclosure requirements are narrower. IFRS 19 standard simplifies subsidiaries' financial reporting still retaining financial statements' financial information useful for the users of such. Adopting IFRS 19 standard is voluntary. The new standard is effective for reporting periods beginning on or

after 1 January 2027 and early adoption is permitted. Revised standard will not be expected to have a significant impact on Raute Corporation's consolidated financial statements.

#### **IFRS 18 Presentation and Disclosures in Financial Statements**

IFRS 18 was issued in April 2024. The standard concerns the presentation and disclosures of financial statements, especially the presentation of financial statements' main statements and notes.

The standard includes among others

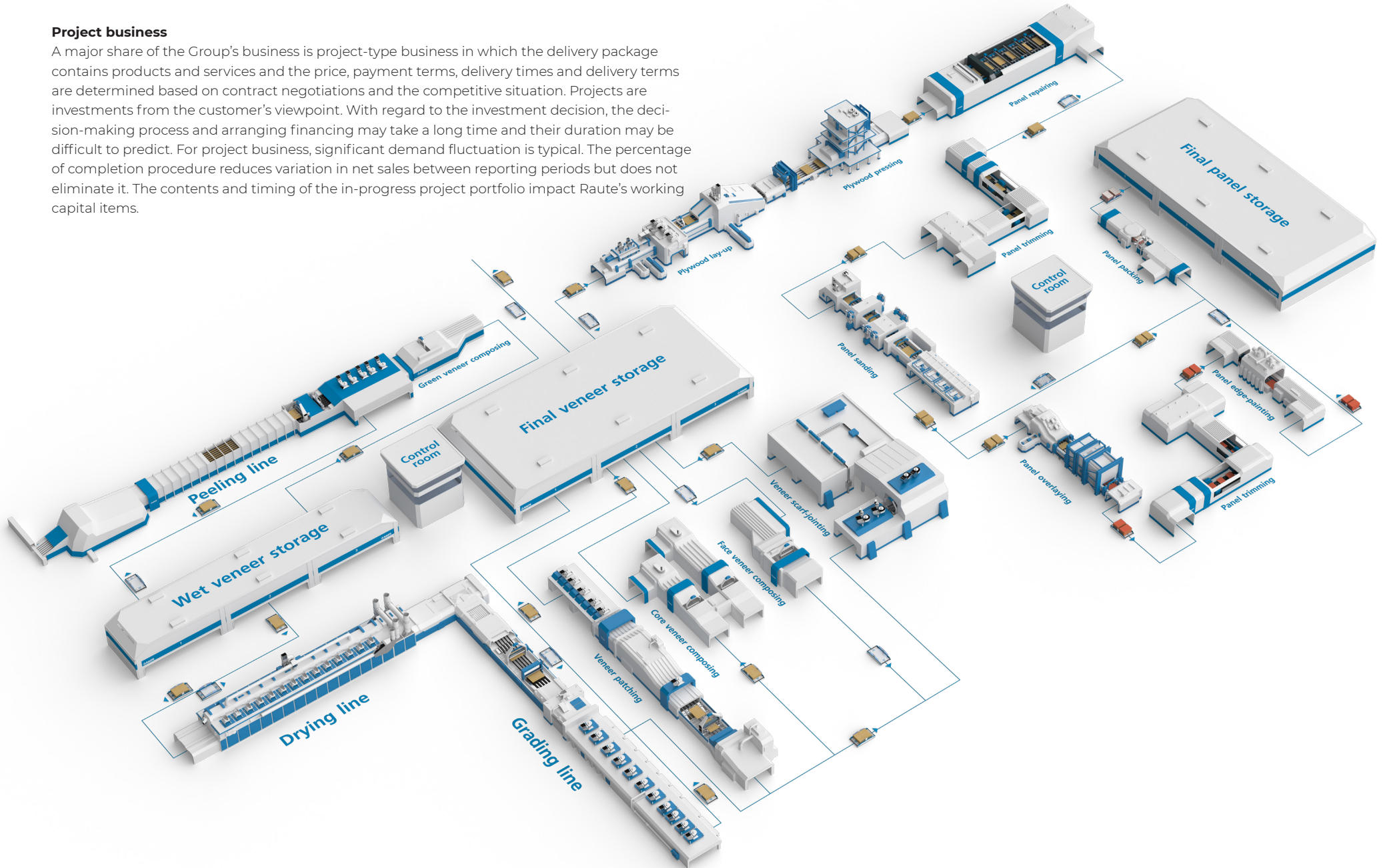
- new requirements concerning certain subsums presentation in Income Statement,
- new requirements concerning giving management defined, profitability describing figures,
- new requirements regarding principles for combining or specifying information.

The standard will replace current IAS 1 standard *Presentation of financial statements* and it will change also many others IFRS accounting standards, such as IAS 7 *Statement of Cash Flows* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The new standard is effective for reporting periods beginning on or after 1 January 2027 and early adoption is permitted. Revised standard is expected to have a significant impact on presentation and disclosures of Raute Corporation's consolidated financial statements.

### Project business

A major share of the Group's business is project-type business in which the delivery package contains products and services and the price, payment terms, delivery times and delivery terms are determined based on contract negotiations and the competitive situation. Projects are investments from the customer's viewpoint. With regard to the investment decision, the decision-making process and arranging financing may take a long time and their duration may be difficult to predict. For project business, significant demand fluctuation is typical. The percentage of completion procedure reduces variation in net sales between reporting periods but does not eliminate it. The contents and timing of the in-progress project portfolio impact Raute's working capital items.



**NOTE 1**

EUR 1,000	2024	%	2023	%
<b>NET SALES</b>				
<b>Net sales by market area</b>				
EMEA (Europe and Africa, excluding Finland)	<b>81 822</b>	<b>40</b>	44 649	31
EMEA (Finland)	<b>32 176</b>	<b>16</b>	13 123	9
NA (North America)	<b>45 849</b>	<b>22</b>	43 980	30
LAM (South America)	<b>37 861</b>	<b>19</b>	21 218	15
APAC (Asia-Pacific)	<b>6 462</b>	<b>3</b>	9 015	6
CIS (Russia)	<b>413</b>	<b>0</b>	13 430	9
<b>TOTAL</b>	<b>204 583</b>	<b>100</b>	145 416	100

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 3 customers, whose customized share of the Group's net sales temporarily exceeded ten percent.

**Basis of preparation**

Net sales include revenues recorded from the sale of project deliveries and technology services, as well as raw materials and equipment in the amount of consideration to which the group expects to be entitled in return for the goods or services delivered to the customer. The entered compensation amount takes into account the fixed transaction price adjusted by indirect taxes and variable compensation, such as discounts and penalties expected to be realized such as late fees. All components pertaining to each contractual entity have been treated as a whole and the same revenue recognition method is applied to them.

The revenue from the sales is recognized when or as control of the transferred goods or service passes to the customer. When determining the time of revenue recognition, it is analyzed whether control of the goods or service subject to the performance obligation is transferred over time or at a point in time.

The main part of the net sales is comprised of project deliveries and modernization projects belonging to the Technology Services are classified as performance obligations to be fulfilled over time. The principles of preparation of the performance obligations to be fulfilled over time has been presented on page 79.

Project deliveries and modernizations related to technology services include both product and service sales, and the breakdown of the Group's net sales into product and service sales is not separately presented.

Revenues from service maintenance and other expert services, such as consulting, training and digital services, is recognized as net sales for the period in which the service has been provided. Performance obligation of maintenance and other expert services is fulfilled over time as the customer receives and consumes the benefit at the same time as the service is performed. Revenues from other services is recognized in net sales for the period in which the service is provided.

Performance obligations to be fulfilled at a point in time include e.g. individual standard product deliveries and spare parts. Performance obligations related to the product and spare part deliveries are recognized as income based on the delivery terms.

Revenues from the sale of spare parts and other goods, as well as from standard product deliveries, i.e. from small and short-term projects, is recognized in full after the transfer of control to the customer. The control is considered transferred when the Group no longer has the right of possession or other control related to the product. In the sale of spare parts and goods, revenue is recognized at the moment when the goods have been delivered to the customer on the agreed terms of delivery.

The delivery terms used in the Group are based on Incoterms 2010 delivery clauses, which are presented in the official rules published by the International Chamber of Commerce for the interpretation of trade terms.

For small and short-term projects, revenue is recognized when the customer has accepted the delivery.

Raute grants its customers guarantees that certify that the product or project complies with the agreed requirements. The warranty period begins when the customer has accepted the project. Raute's warranties are either 12 months or 24 months long. The estimated costs during the warranty period are presented in the warranty reservations.

Raute does not adjust the transaction price with the effect of the time value of money if the time between receiving the payment and fulfilling the performance obligation is a maximum of one year. In the financial period 2024 and the comparison period, the Group has not had customer contracts from which the effect of a significant financial component would have been adjusted.

Raute does not record sales commissions or other possible additional costs resulting from obtaining the contract as an asset in the balance sheet, if the asset would be recorded as an expense within one year at the most, but are recorded as an expense at the time of completion.

1 000 euroa

	<b>2024</b>	<b>2023</b>
<b>Specification of net sales</b>		
Performance obligations to be satisfied over time	155 647	103 791
Performance obligations to be satisfied at a point in time	48 936	41 626
<b>TOTAL</b>	<b>204 583</b>	145 416
Amount of performance obligations to be satisfied over time not yet entered as income (order book)	<b>174 325</b>	253 987
- of which related to contracts where maturity is more than one year and where it is expected to be recognised EUR 150.6 million during financial year 2025		
- of which financial year 2026 portion is EUR 23.7 million*		
<b>Balance sheet items of undelivered projects</b>		
Projects where value according to the degree of fulfillment exceeds the invoiced advances		
- aggregate amount of costs incurred and recognized profits less recognized losses	115 494	85 968
- advance payments received	-103 597	-73 952
- credit loss provision	-931	
<b>Current customer contract assets</b>	<b>10 966</b>	12 010
Projects where the invoiced advances exceed the value according to the degree of completion		
- aggregate amount of costs incurred and recognized profits less recognized losses	-93 131	-63 495
- advance payments received	137 138	120 402
<b>Current customer contract liabilities</b>	<b>44 007</b>	56 907
<b>Advance payments included in current liabilities in the balance sheet</b>		
Current customer contract liabilities	44 007	56 907
Other advance payments received	2 000	1 953
<b>Total</b>	<b>46 007</b>	58 860
<b>Inventories on the balance sheet include advance payments from customer contracts</b>		
Advance payments paid	2 908	3 505

\* Raute does not present information when the performance obligation is part of a contract with an initial expected duration of no more than one year.

2023 information has been added to the 2024 disclosure.

**Basis of preparation**

Project deliveries and modernization projects recognized by percentage of completion and customized and tailored to customer's needs, shall be determined as a performance obligation over time. These performance obligations do not have the alternative use in IFRS 15, those constitute still one performance obligation and Group has the right to receive the payment for the performance produced at the time of review. As a rule, project deliveries and modernization sized and customized to the buyer's needs form a single performance obligation. If one contractual entity (e.g. mill-scale delivery) includes sub-entities (e.g. production lines) from which the buyer can benefit separately and according to the terms of the contract, the sub-assemblies can be separated from the rest of the contractual entity, they have been treated as separate projects.

The company applies the percentage of completion method as a revenue recognition principle in performance obligations to be fulfilled over time, so that the fulfillment rate is determined as the ratio of the project's realized expenses to the project's estimated total expenses, including estimates of the risks included in the contracts, adjusted by typical forecast refinements for similar contracts.

The estimates are based on previous experience with similar projects, and in addition, the estimates take into account the special features of each project. If the final result of the customer contract to be recognized based on percentage of completion has not been reliably assessed, the expenses arising from the project have been recorded as expenses for the same accounting period in which they were incurred, and the income from the project has only been recorded up to the amount when the amount of money corresponding to the realized expenses is available.

When it is likely that the total costs needed to complete the project will exceed total contract revenue, the expected loss is immediately recorded as expense and provision as a loss-making project. If the net sales of performance obligation to be satisfied over time recognized by percentage of completion (incurred costs and recognized profits) is larger than the amount of advance payment received for the project, the difference has been recognized as a current customer contract asset in the balance sheet item Accounts receivables and other receivables. If the net sales of performance obligation to be satisfied over time recognized by percentage of completion (incurred costs and recognized profits) are minor than the amount of advance payment received for the project, the difference has been recognized as a current customer contract liability in the balance sheet item Short-term advance payments received. The unpaid part of the purchase price is presented in trade receivables, when only the passage of time is required for the payment to be due.

The scope and price of the contract can be changed during the project. At Raute, a contract change is typically caused by the customer increasing the scope of the contract with an additional contract. If the contract is changed and the increase cannot be separated from the partially completed and already revenue-generating part of the project, the contract change is treated as part of the existing contract so that the effect of the change increases the transaction price and total expenses.

**Management judgement and key uncertainties related to estimates**

The percentage of completion method is based on estimates of the expected project. Raute updates the cost forecasts of unfinished projects monthly in connection with reporting. The cost estimation is based on a project-specific calculation that identifies and defines different types of costs. The cost estimation is already prepared during the bidding phase of the project, and the estimation is updated monthly. Determining and updating the estimated total costs at the time of reporting requires estimates of the development of the total costs needed to complete the project. These estimates are based on Raute's previous experience with similar projects, and in addition, the estimates consider the special features of each project based on the best available information. Realized expenses in proportion to total estimated expenses describes, according to the management's discretion, in the most reliable and best verifiable way how Raute produces a deliverable, i.e., a project or service, when transferring it to the customer's control. If the estimates of the final result of the project have changed, the estimates related to the project have been changed in the period when the change was known or could be estimated for the first time.

The recognition of sales revenue requires the determination of the sales revenue from the customer contract, i.e. the transaction price. The variable compensation is included in the transaction price in such a way that it is very likely that a significant reversal of the recorded sales revenue will not have to be made later, when the uncertainty related to the variable compensation is resolved.

At Raute, variable compensation is typically penalty-type discounts and incentives, and in some projects, payment posts, if the conditions for their payment cannot be assessed as very likely to be met. In addition, in some projects of Russian customers in the comparison period, Raute has reduced the transaction price for those installments whose payment conditions are not estimated to be met due to export restrictions related to sanctions.

EUR 1,000	31.12.2024	31.12.2023
<b>SEGMENT INFORMATION</b>		
<b>Wood Processing</b>		
Net sales	147 174	92 386
EBITDA	10 931	-2 289
Comparable EBITDA	11 351	-450
<b>Services</b>		
Net sales	42 091	33 024
EBITDA	6 767	4 440
Comparable EBITDA	6 905	4 863
<b>Analyzers</b>		
Net sales	15 317	20 006
EBITDA	1 425	4 629
Comparable EBITDA	1 529	4 859
<b>SEGMENTS TOTAL</b>		
Net sales	204 583	145 416
EBITDA	19 123	6 781
Comparable EBITDA	19 785	9 273

### Segment-related key performance indicators

The Board of Directors monitors profitability of the segments with the key figures EBITDA and comparable EBITDA. The Group has defined EBITDA as follows: EBITDA is the net sum calculated by adding other operating income to net sales; deducting purchase expenses that have been adjusted by changes in inventories of finished goods and work in progress and by expenses from production for own use; and by deducting expenses from employee benefits, as well as other operating expenses. Compared to EBIT in Income Statement, EBITDA does not include depreciation, amortization and possible impairment losses. Comparable EBITDA adjusts items affecting comparability off from the EBITDA. Reconciliation between EBIT, EBITDA and comparable EBITDA has been presented on page 81. All other income statement items are presented under operating profit before the profit for the financial year.

### Basis of preparation

Raute Group's operations fall into three segments: Wood Processing, Services and Analyzers. The basis of the organization structure and operational segments is the scope of products and services delivered to the customers. The highest operational decision-maker responsible for allocating resources to the operating segment and evaluating its results is Raute Corporation's Board of Directors. The Board monitors profitability with the key figures EBITDA and Comparable EBITDA. Raute Corporation's Board of Directors do not monitor assets and liabilities for the segments on segment level.

Based on Raute's business model, nature of operations and the management structure, the combined data of the three operating 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 on the segment level, therefore investments, assets and liabilities are presented only at the group level. In segment reporting, the principles of preparation of consolidated financial statements are followed. Raute Group's segments do not have inter-segment sales.

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.

The division into operating segments is based on the Group's internal decision-making order and is consistent with the financial reports submitted to the chief operating decision maker. Segment reporting follows the principles of presentation of the 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 turnover is entirely from external customers.

Information concerning the revenues are presented on note nr 1 Revenues. Project deliveries and modernisations included in the technology services comprise of both product and service sales, so the division between Group's product and service revenues can not be reliably presented.

At the end of the financial year 2024, the Group had 3 customers, whose customized share of the Group's net sales temporarily exceeded ten percent. No single client exceeded 10 per cent revenue threshold during the financial year 2023.

**COMPARABLE EBITDA**

EUR 1,000	1.1.-31.12.2024				1.1.-31.12.2023			
	Wood Processing	Services	Analyzers	Group total	Wood Processing	Services	Analyzers	Group total
EBITDA	10 931	6 767	1 425	19 123	-2 289	4 440	4 629	6 781
Items affecting comparability	420	138	104	662	1 839	423	230	2 492
COMPARABLE EBITDA	11 351	6 905	1 529	19 785	-450	4 863	4 859	9 273

**COMPARABLE EBITDA**

MEUR	1.1.-31.12.2024	1.1.-31.12.2023
Comparable EBITDA	19.8	9.3
Items affecting comparability:		
Costs related to controlled exit of Russian business	0.1	-0.4
Restructuring costs	0.0	-0.7
Costs related to new ERP system	0.6	-1.4
Total items affecting comparability	0.7	-2.5
EBITDA	19.1	6.8
Depreciations	-5.4	-4.9
Operating result	13.7	1.9
Financing expenses, net	1.4	-0.1
Result before tax	15.1	1.8

	1.1.-31.12.2024				1.1.-31.12.2023			
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)	66 110	11 868	3 844	81 822	31 834	8 622	4 193	44 649
EMEA (Finland)	22 820	5 202	4 154	32 176	5 508	4 201	3 414	13 123
NA (North America)	26 475	15 806	3 567	45 849	25 175	12 801	6 004	43 980
LAM (South America)	29 752	5 876	2 234	37 861	14 324	4 319	2 576	21 218
APAC (Asia-Pacific)	1 741	3 144	1 577	6 462	4 708	2 267	2 040	9 015
CIS (Russia)	276	196	-58	413	10 837	815	1 778	13 430
<b>TOTAL</b>	<b>147 174</b>	<b>42 091</b>	<b>15 317</b>	<b>204 583</b>	<b>92 386</b>	<b>33 024</b>	<b>20 006</b>	<b>145 416</b>

**NOTE 2**

EUR 1,000	2024	2023
<b>ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES</b>		
Accounts receivables	8 272	6 780
Customer contract assets	10 966	12 016
Accrued income and prepaid expenses	3 482	3 281
Derivative contract receivables	64	253
Value added tax receivables	620	785
Other receivables	1 500	2 664
<b>TOTAL</b>	<b>24 905</b>	<b>25 779</b>
<b>Substantial items included in accrued income and prepaid expenses</b>		
Accrued employee related expenses	-	-
Income tax receivable	42	1
Accrued purchase invoices	2 170	2 319
Other accrued income and prepaid expenses	1 269	961
<b>TOTAL</b>	<b>3 482</b>	<b>3 281</b>

**Basis of preparation**

The Group's accounts receivables and other receivables include accounts receivables, customer contract assets, accrued income and prepaid expenses, derivative contract receivables and other receivables.

Information on impairments related to assets based on accounts receivables is presented in Note no. 18 Derivatives. The fair values of the receivables are presented in Note no. 24 Financial assets.

**Key uncertainties related to estimates requiring management judgment**

The management has assessed the ability of customers and other counterparties to meet their ability to settle the commercial receivables and payment obligations related to loans. According to management's judgment, there are risk factors associated with the receivables of some projects. Due to these risk factors, write-downs of receivables of EUR 1.2 million have been made in the financial statements, targeting one project. In addition, individual smaller provisions for credit losses based on management's judgment have been made.

**Basis of preparation**

Trade receivables are receivables that arise from products or services sold to customers in the ordinary course of business. The receivable is presented in trade receivables when only the passage of time is required for the payment to be due. Sales and other revenue is recognized in accounts receivable at the original receivable amount. Current accounts receivables are valued at the amount of the original receivable and their book value is equal with their fair value. The payment terms of customer contracts are primarily based on the percentage of completion of the project, specified in the customer contract, the service level performed, the payment schedule or the goal agreed in the contract. The payment term is 30 days on average.

Assets based on customer contracts are presented as the amount by which the revenue generated according to the stage of completion of an individual customer contract to be recognized over time exceeds the amount of the advance payment received, but for which there is still no sales invoice. The balance sheet values of accounts receivable and assets based on customer contracts are presented in note Financial assets.

The credit risk related to the accounts receivables has been estimated according to the standard IFRS 9 based on evaluation of the validity period expected for accounts receivables at the balance sheet date. Raute Group has applied the simplified approach allowed for recognition of credit losses of accounts receivables, because accounts receivables do not contain significant financing component. The accounts receivables have been grouped for determination based on age distribution and a credit risk characteristic. The expected credit loss is based on historical credit loss amounts, considering the individual estimates for each claim. Estimated impairment losses have been recognized through profit or loss.

The value of the accounts receivable on the balance sheet has been reduced by 805 thousand euros (206 thousand euros) based on the expected credit loss. The amount of receivables of project recognition overtime has been reduced in the accounting period by the expected losses, 931 thousand euros (0 thousand euros). If the amount of the impairment loss decreases in any subsequent financial year and deduction may be considered to be related to the recognition of impairment after the event, the recognized loss is reversed through profit or loss.

The impact of the impairments of expected credit loss allowance on accounts receivable was EUR 1,574 thousand negative (EUR 55 thousand positive) due to the increase in credit loss allowance previously recognized. Impairments are recognized to the item Other operating expenses in the income statement. The information of credit losses on the accounts receivables has been presented in Note Impairment of financial assets.

**Risk management**

The total value of accounts receivables and customer contract assets in the balance sheet corresponds to the amount of money that is the maximum amount of credit risk at the balance sheet date without taking into account the fair value of collateral and contractual obligations arising later in the case that the contractual parties are unable to fulfill their obligations to pay in accordance with the sales contract.

The Group's credit or counterparty risk materializes when a customer or other counterparty is unable to fulfill its commitments to the Group. Receivables related to accounts receivables and current customer contract assets are written off the balance sheet as final credit losses when the contractual payment is significantly delayed, eg. due to significant financial difficulties of counterparty.

According to the principles of credit management, the quality of receivables is assessed based on customer-specific analysis. Credit risks related to contractual counterparties of project deliveries are managed for established suppliers and customers by advance payment terms and/or by expecting bank guarantees or confirmed letters of credit for the unpaid purchase price. Credit risks related to technology services are managed by regularly monitoring the customer-specific amounts of receivables and customers' payment behavior.

The maximum credit risk relating to customers' solvency is the amount of receivables relating to binding sales contracts that are not covered by bank guarantees, letters of credit or other securities. Received bank guarantees and letters of credit covered 23.3 percent (19,4%) of the accounts receivables and the customer contract assets recorded in the balance sheet and 16.4 percent (11,8%) of the order backlog at the end of the financial year. A main part of the receivables was related to established counterparties and customers. During the financial year, a credit loss amounting to EUR 44 thousand (EUR 5 thousand) has been recognized as an expense. No significant credit risk clusters were recognized in the accounts receivables at the balance sheet date.

**NOTE 3**

EUR 1,000	2024	2023
<b>MATERIALS AND SERVICES</b>		
Purchases during the financial year	<b>-90 953</b>	-63 092
Change in inventories, materials and supplies	<b>-800</b>	7 923
External services	<b>-9 377</b>	-8 526
<b>TOTAL</b>	<b>-101 131</b>	-63 695

**Basis of preparation**

Purchases include materials and raw materials, as well as variable costs related to purchasing and manufacturing the products. External services include variable costs of production and subcontracting costs as well as service payments to suppliers.

The change in inventory includes the change in materials and raw materials and in finished goods. 2023 change in inventory has been adjusted according to the below table. See also note 16 of inventory.

EUR 1,000	2023 Financial Statement	Adjustment	Adjusted comparison data
Change in inventories of finished goods and work in progress	-1 143	665	-478
Materials and services	-63 029	-665	-63 694

**Risk management**

The raw materials used by the Group are reprocessed steel products, other raw materials, components, and commodities. It is not possible to actively hedge against their market price risk with derivatives. The price risk of steel is managed by regular price variation analysis and monitoring. The price risk of components is reduced by making blanket agreements with suppliers. The price risk of the electric power used in the Group's production processes is monitored and managed with fixed-price energy supply contracts.

At the balance sheet date, there were no derivatives hedging price risk that would have affect the result.

**NOTE 4**

EUR 1,000	2024	2023
<b>PROVISIONS</b>		
<b>Warranty provisions</b>		
<b>Book value at Jan. 1</b>	<b>2 247</b>	1 771
Additions	<b>2 180</b>	3 232
Decrease	<b>-2 148</b>	-2 840
Exchange differences	<b>14</b>	84
<b>Book value at Dec. 31</b>	<b>2 292</b>	2 247
<b>Other provisions</b>		
<b>Book value at Jan. 1</b>	<b>98</b>	382
Additions	<b>330</b>	627
Decrease	<b>-72</b>	-434
Exchange differences	<b>1</b>	-477
<b>Book value at Dec. 31</b>	<b>357</b>	98
<b>TOTAL</b>	<b>2 649</b>	2 345
from which		
- non-current	<b>454</b>	563
- current	<b>2 195</b>	1 783

**Basis of preparation**

A **provision** has been recognized when the Group has had a present legal or constructive obligation based on an earlier event at the time of financial statement and it has been probable that the fulfillment of the obligation will require a later payment, and when the amount of this obligation can be reliably estimated. A provision related to warranty obligations is recognized through profit or loss when revenue from a long-term project, service or spare part including a warranty clause is recognized. The amount of the warranty provision is estimated at the beginning of the project, and it is based on experience-based information about the realization of warranty expenses. The unused provision has been recognized as income at the end of the warranty period and expiry of the warranty obligations. The warranty provisions for customer contracts that will be realized over time are included in the projected total costs of the project. Provision for a loss-making contract has been recognized when the estimated total production costs exceed the contract value. Other provisions consist of cost overrun and subsequent work costs known to the projects. Typically for project business, the amount of reservations varies each year.

**Management's critical accounting judgments and key sources of estimation uncertainty**

In assessing the amount of warranties and other provisions, management's experience-based estimates of the warranty cost of the products, considering the specific product and contract risks.

**NOTE 5**

	2024	2023
<b>NUMBER OF PERSONNEL</b>		
<b>Employed at Dec. 31, persons</b>		
Workers	251	249
Office staff	532	505
<b>TOTAL</b>	<b>783</b>	754
Personnel working abroad	231	247
<b>Effective, on average, persons</b>		
Workers	233	244
Office staff	507	505
<b>TOTAL</b>	<b>740</b>	749
Personnel working abroad, effective, on average	196	240
<b>On average, persons</b>		
Workers	235	246
Office staff	547	509
<b>TOTAL</b>	<b>782</b>	754
Personnel working abroad, on average	234	240

EUR 1,000	2024	2023
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Wages and salaries	-52 107	-44 903
Share-based benefits	-611	-526
Pension contributions	-6 030	-5 428
Other personnel costs	-766	-1 388
<b>TOTAL</b>	<b>-59 514</b>	-52 246

**Basis of preparation**

**Wages and salaries** include basic salaries with fringe benefits, profit and performance rewards (performance-based bonuses) and long-term incentive schemes recorded on an accrual basis during the financial year. Information on share-based payments is disclosed in page 88 Share-based incentive schemes.

**Performance-based bonus systems based on annual targets**

The performance-based bonus system includes bonus systems for the CEO and for the Group's Executive Board, key personnel and the other personnel. A person can receive the bonus from one of these performance bonus systems at a time. The Board of Directors annually confirms the principles, maximum amounts and calculation method for the remuneration systems. The performance bonus system is in force for one year at a time. Prerequisite for the bonus payment is positive Group's profit.

In the performance bonus systems of the CEO, the rest of the group's management team, and key personnel, the basis for payment of the bonus is the result and the personal goals set for the whole year related to the task. The CEO's maximum remuneration from the performance bonus system is 60% of the annual salary and the rest of the group's management team is 40% of the annual salary.

In the performance bonus system for other personnel, the basis for payment of the bonus is the Group's profit and targets set for the unit's performance, quality and operations. Part of the performance bonuses for the entire staff is determined and paid quarterly.

Performance-based bonus systems based on annual targets has been recognized as a provision when the Group has a contractual obligation or when a constructive payment obligation has arisen from an earlier practice.

**Management's critical accounting judgments and estimation**

The expense and debt to be recorded from performance-based reward systems based on annual goals are based on calculations of rewards based on valid contracts. In evaluating the amount of performance bonuses, the management has used estimates of the achievement levels of the targets related to the results, quality and operations of individuals and different groups of individuals.

**Pension plans**

Pension plans have been classified as defined benefit and defined contribution plans. Under a defined contribution plan the Group pays fixed contributions to a separate insurance company, after which the Group has no other payment obligations. In addition, the Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay retirement benefits. Payments made to defined contribution pension plans are recognized in the income statement as an expense for the period in which they were due. The Finnish statutory employment pension scheme and the pension plans of foreign subsidiaries are classified as defined contribution plans.

**Share-based payment plan for senior management**

The Group's management and key personnel are covered by the company's share-based long-term incentive plan. The system consists of a performance-based share reward system (Performance Share Plan "PSP") as the main structure and a conditional share reward system (Restricted Share Program "RSP") as a supplementary share reward system. The purpose of the plan is to align the objectives of the owners and management to develop the company's value and to commit the management and key personnel to the company and to the achievement of the company's strategic goals by offering them a competitive long-term incentive plan. The incentive plan is described in detail on company's website [www.raute.com](http://www.raute.com).

The company's Board of Directors decides separately on when each plan commences, the length of the earning period, the performance targets, the persons entitled to the program and the earning opportunity.

The rewards payable based on the Performance Share Plan and on the Restricted Share Program will at the company's choice either be paid in listed shares of Raute or in cash based on the value of the share reward at the time of payment. The reward can for example be paid partly in listed shares of Raute and the rest in cash to cover the tax consequences caused for the recipients due to the receiving of the share rewards. The share part will as an assumption be transferred from company's own shares if such are possessed, where in that part no dilution effect would take place for the shareholders' ownings. The purchase and administration of company's own shares is handled by Evli Alexander Incentives Oy (EAI) based on and according to incentive-related own shares purchase financing Finnish Company Act clauses. EAI Raute Holding Oy purchases shares according to the contract financed by Raute, which are used entirely as part of Raute's share-based incentive schemes according to its terms. At the end of the financial period, EAI Raute Holding Oy controlled by Raute possessed 96,011 Raute shares.

The board is entitled to limit the remuneration paid from the long-term incentive systems, 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.

In accordance with the ownership recommendation of the company abides by, the members of the company's Executive Board are expected to accrue and, after attaining, to retain in their own-ership 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 mem-bers 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 recommended level.

The impact of the share-based incentive plan on the result of the financial year was EUR 611 thou-sand (EUR 526 thousand). During the financial year, the estimate of shares to be earned has been updated in accordance with the latest forecast. At the end of the financial year, EUR 991 thou-sand (EUR 526 thousand) was allocated to the equity item "Other reserves" from the share-based incentive schemes in force.

**Performance-based incentive plans in force 2023 (Performance Share Plan "PSP")**

**PSP Plan 2021-2023** started at the beginning of 2021 and consists of a three-year performance period with two performance indicators. The second performance indicator was the absolute total shareholder return (Absolute TSR) and its weighting is 70 percent. One of the performance indicators had defined net sales targets and has a weight of 30 percent. The plan ended during 2024, as a result of which the shares were paid according to the realisation of the performance requirements of the plan.

**PSP Plan 2022-2024** started in the beginning of 2022 and it consists of three-year earning period, for which two performance indicators are adopted. Another performance indicator is Absolute Total Shareholder Return on Raute's shares (Absolute TSR) with a weight of 70 percent. The other is defined net sales targets, which is weighted 30 percent. Based on both performance indicators potentially payable incentives will be paid after the expiry of the three-year program and finaliza-tion of the financial statements during the spring 2025 provided that the performance targets set by the Board of Directors are achieved.

**PSP Plan 2023-2025** started in the beginning of 2023 and it consists of three-year earning period, for which two performance indicators are adopted. Another performance indicator is defined EBITDA targets with a weight of 60 percent. The other is defined net sales targets, which is weighted 40 percent. Based on both performance indicators potentially payable incentives will be paid after the expiry of the three-year program and finalization of the financial statements during the spring 2026 provided that the performance targets set by the Board of Directors are achieved.

**PSP Plan 2024-2026** started in the beginning of 2024 and it consists of three-year earning period, for which two performance indicators are adopted. Another performance indicator is defined EBITDA targets with a weight of 60 percent. The other is defined net sales targets, which is weighted 40 percent. Based on both performance indicators potentially payable incentives will be paid after the expiry of the three-year program and finalization of the financial statements during the spring 2027 provided that the performance targets set by the Board of Directors are achieved.

**Conditional share bonus systems (Restricted Share Plan "RSP")**

RSP 2022-2024, RSP 2023-2025 and RSP 2024-2026

Conditional share bonus systems aims at committing, encouraging and rewarding separately selected Raute key personnel members and align their objectives with those of the owners by creating them a long-term shareholding objective to develop the company's value in long term. Conditional share bonus system can also include Raute's Group management team members. The length of the program is in entirety three years, during which the company can promise fixed EUR-amount share bonuses to separately selected key personnel 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. 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 Board of Directors has decided two RSPs in force: RSP 2022-2024, RSP 2023-2025 and RSP 2024-2026. RSP 2022-2024 started during 2022 and covers years 2022-2024. RSP 2023-2025 started during 2023 and covers years 2023-2025. RSP 2024-2026 started during 2024 and covers years 2024-2026.

**Basis of preparation**

Share-based payment plans have been recognized as an expense during the earnings period in the income statement item employee benefits expense. The fair value of the benefit is the share

value at the benefit's grant date. The amount to be recognized as an expense is based on an estimate of the number of shares to which the right is expected to arise during the earnings period. An estimate of the shares to be earned is evaluated on each balance sheet date. If the estimate changes in later periods, the change is adjusted to the income statement to the period in which the change is detected. The counter account for the portion of share-based reward systems that is paid in shares is the Other reserves.

**Management's accounting judgements**

The management has estimated the performance level which is the basis of the bonuses and the number of people entitled to the bonuses at the end of the vesting period in PSP and RSP programs. On the balance sheet date, the management has estimated the number of shares earned from the share-based incentive plans.

**GRANTED PERFORMANCE-BASED SHARE BONUSES**

	<b>PSP Plan 2024-2026</b>	<b>PSP Plan 2023-2025</b>	<b>PSP Plan 2022-2024</b>	<b>PSP Plan 2021-2023</b>
Grant date	May 6, 2024	Apr 17, 2023	Feb 10, 2022	Feb 10, 2022
Bonus shares maximum, pcs	53 350	64 000	41 000	36 000
Indicator period starts	Jan 1, 2024	Jan 1, 2023	Jan 1, 2022	Jan 1, 2021
Indicator period ends	Dec 31, 2026	Dec 31, 2025	Mar 31, 2025	Mar 31, 2024
Vesting period ends	Mar 31, 2027	Mar 31, 2026	Mar 31, 2025	Mar 31, 2024
Share fair value at grant date, eur	11.25	8.16	16.65	20.05
<b>Granted shares at 1 January 2024, pcs</b>	<b>0</b>	<b>63 816</b>	<b>23 331</b>	<b>17 164</b>
Shares granted during the period	53 350	0	0	0
Shares forfeited during the period	0	0	3 908	0
Shares realized during the period	0	0	0	17 164
<b>Granted shares at 31 December 2024, pcs</b>	<b>53 350</b>	<b>63 816</b>	<b>23 331</b>	<b>0</b>

**GRANTED SHARE BONUSES**

	<b>RSP 2024-2026</b>	<b>RSP 2023-2025</b>	<b>RSP 2022-2024</b>
Grant date	No shares granted	Apr 17, 2023	Oct 24, 2022
Bonus shares maximum, pcs*	68 000	72 000	76 000
Vesting period starts	Jan 1, 2024	Jan 1, 2023	Jan 1, 2022
Vesting period ends	Mar 15, 2027	Mar 15, 2026	Mar 15, 2025
Share fair value at grant date	No shares granted	8.42	8.86
<b>Granted shares at 1 January 2024, pcs</b>	<b>0</b>	<b>68 690</b>	<b>41 910</b>
Shares granted during the period	0	0	0
Shares forfeited during the period	0	1 606	5 285
Shares realized during the period	0	0	10 964
<b>Granted shares at 31 December 2024, pcs</b>	<b>0</b>	<b>67 084</b>	<b>25 661</b>

\*) based on the decision of the Board of the Directors share allocations have been increased by 5.63 percent which takes into account the share allocations being monetarily unchanged after the share issue during the financial year 2023. Similar adjustment has been made to the share fair value at grant date.

**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. Raute Group parent company's management consists of the board of directors, the CEO and the group's executive team. The comparison data for 2023 has been corrected for share-based benefits.

Compensation paid to related parties is presented in the following table:

EUR 1,000	2024	2023
<b>Salaries and remunerations of the President and CEO Mika Saariaho, President and CEO as of Oct 1, 2022</b>		
Salaries and other short-term employee benefits	486	306
Post-employment benefits	87	56
Share-based benefits	120	-
<b>TOTAL</b>	<b>694</b>	<b>362</b>
<b>Remuneration of the Parent company's Board of Directors Members of the Board of Directors</b>		
Raitio Laura, Chair of the Board of Directors	49	48
Mustakallio Mika, Vice-Chair until April 4, 2024	8	24
Bask Joni, Board member (Vice-Chair as of April 4, 2024)	26	24
von Essen Patrick, Board member until April 4, 2024	8	24
Harmaala Ari, Board member	25	24
Perttula Petri, Board member until April 4, 2024	8	24
Piik Ari, Board member	25	24
Kettunen Mikko, Board member as of April 4, 2024	20	-
Manni Julius, Board member as of April 4, 2024	18	-
Virnes Jenni, Board member as of April 4, 2024	18	-
<b>TOTAL</b>	<b>205</b>	<b>192</b>
<b>Group Executive Board's employee benefits on an accrual basis</b>		
Salaries and other short-term employee benefits	1 241	1 072
Post-employment benefits	223	195
Share-based benefits	14	-
<b>TOTAL</b>	<b>1 478</b>	<b>1 267</b>

The **President and CEO** has the option of a performance bonus, which depends on the achievement of the goals set annually and is a maximum of 60% of the basic annual salary. The CEO's notice period is six months, and an amount equivalent to twelve months' salary is paid as severance pay.

Information about the long-term share-based incentive plan for top management is presented in Note Employee benefits, page 86.

During the financial year, no share options have been granted to the management and Board of Directors.

**Pension obligations of the President and CEO and the Board Members** are determined according to the Employees Pensions Act. Other special conditions concerning the retirement or the amount of retirement allowance have not been agreed on. The statutory pension cost in the financial year 2024 was EUR 302 thousand (EUR 251 thousand). Remunerations paid to the Board of Directors in the financial year 2024 do not include the statutory retirement obligation.

Raute's **Remuneration report** contains information on the remuneration of the Board of Directors and the President and CEO. Up-to-date information is available on the company's website at [www.raute.com](http://www.raute.com).

On December 31, 2024, the **Board of Directors and 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.

**Equity financing instruments**

Convertible perpetual loans are handled in IFRS accounting as equity as interest payments and repayments can be decided by the company and repayments can not be requested by the holders. 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 to the holders the rights of a shareholder.

Raute agreed with LähiTapiola and Veritas on convertible junior loans amounting to EUR 3 million during comparison period 2023. The drawdown date for the junior loans was 16 June 2023. The loans are perpetual. The annual floating rate during the first 3-year period is 7.50 per cent added with six (6) months EURIBOR. The company has an option, but no obligation, to pay the loans back after the first 3-year period in 2026. After the first 3-year period there is a step-up in the interest rate of the loans to 12.50 per cent added with six (6) months EURIBOR.

The lenders have the right to convert the outstanding principal amount of the Junior Loan into new shares of the Company in full, but not in part in accordance with the terms and conditions of the option rights related to the Junior Loan. Conversion rights do not cover potentially unpaid interests according to the terms. The subscription price for the option rights is EUR 12.69 at the end of 2024. The withdrawn amounts give right to the lenders to subscribe amount of 236,407 new shares in the company. Dividends paid during the loan period reduce the subscription price and increase the number of potential new shares..

**NOTE 6**

EUR 1,000	2024	2023
<b>OTHER OPERATING INCOME</b>		
Capital gain on sale of fixed assets	43	60
Other	81	581
<b>TOTAL</b>	<b>123</b>	641

**NOTE 7**

EUR 1,000	2024	2023
<b>OTHER OPERATING EXPENSES</b>		
Indirect production expenses	-5 138	-3 982
Renting expenses	-888	-941
Sales and marketing expenses	-1 572	-1 711
Credit losses actualized and expected	-1 574	55
Administration expenses	-6 495	-7 502
Loss on disposal of fixed assets	-48	-14
Voluntary social expenses	-1 084	-1 001
Premises and real estate expenses	-1 592	-1 169
Travel expenses	-1 383	-1 475
Outsourced services	-3 258	-4 340
Vehicle expenses	-70	-72
Other expenses	-357	-707
<b>TOTAL</b>	<b>-23 460</b>	-22 860
<b>Auditors' remunerations</b>		
<b>Authorized Public Accountants PricewaterhouseCoopers Oy</b>		
Audit expenses, statutory	-137	-227
Audit expenses, other assignments according to the Audit Act		-3
Audit expenses, other services	-53	-324
Audit expenses, tax services		-
<b>Total</b>	<b>-191</b>	-555

**Basis of preparation**

Income not included in net sales, such as rental income, insurance compensations and capital gains, is recognized in **other operating income**. Rental income is recognized in equal installments for the rental period.

**Basis of preparation**

**In other business expenses**, the profit-affecting items belonging to the business are recognized by expense category. Other individual items included in the income statement, such as direct purchases, inventory changes and personnel costs, are presented in connection with the information about the corresponding item in the income statement.

Lease agreements, which include the right to use the leased asset, are recorded in the right-of-use asset in the balance sheet. Information about lease agreements is presented in note number 13 Lease agreements. In addition, short-term and low-value lease agreements rental payments have been recorded in other business expenses.

The Parent company's auditor during the financial year was the Authorized Public Accountants PricewaterhouseCoopers Oy. The statutory audit fee includes the audit fees related to the audit of the current financial year. Other expert services include fees for other services performed by the audit firm recognized on an accrual basis for the accounting period including an audit of sustainability reporting. The fees do not include travel costs and fees payable to the authorities arising from auditing or other assignments.

**NOTE 8**

EUR 1,000	2024	2023
<b>INCOME TAXES</b>		
<b>Consolidated income statement</b>		
Current tax based on the taxable result of the financial year	-1 051	-1 148
Current tax of previous financial years	374	-23
Deferred taxes	-2 347	726
<b>TOTAL</b>	<b>-3 024</b>	<b>-445</b>
<b>Reconciliation of the relationship between realized tax expense and theoretical accounting result using the Finnish tax rate of 20.0 percent</b>		
<b>Result before taxes</b>	<b>15 134</b>	<b>1 795</b>
Tax effect of the following items:		
Taxes calculated using the Finnish tax rate, 20.0 %	-3 027	-359
Effect of differences in tax rates of foreign subsidiaries	-211	-92
Non-taxable income	360	83
Non-deductible costs in taxation	-12	-29
Taxes from the previous financial years	374	-23
Utilization of previously unrecognized tax losses	0	
Unrecognized tax assets from the losses of foreign subsidiaries	0	-51
Other items	-508	26
<b>Income taxes in the consolidated income statement</b>	<b>-3 024</b>	<b>-445</b>
<b>Effective tax rate, %</b>	<b>20.0</b>	<b>24.8</b>

**Basis of preparation**

The taxes in the consolidated income statement include the current tax based on the Group companies' taxable income, as well as tax adjustments for previous years and the change in deferred taxes. Current tax based on the taxable income is calculated from the taxable income using the tax rate in force in each country. Taxes have been recognized in the income statement, except when they are related to other comprehensive income items or recognized directly in equity. In such a case, the tax has also correspondingly been recognized in other comprehensive income items or directly in equity.

The Group companies may receive special tax deductions related to certain new investments or expenses under certain conditions. These tax credits are treated as a deductible from taxes at the moment when it is highly probable that the tax deduction will be received. The tax credit reduces the tax liability and the tax expense based on the taxable income of the period.

**Deferred taxes** are recognized on temporary differences between the accounting and taxation value. Deferred tax has been determined using tax rates that have been enacted or substantively enacted by the balance sheet date and have been expected to apply when the related deferred tax asset shall be realized or the deferred tax liability shall be settled. The most significant temporary differences have arisen from the amortization of tangible fixed assets, fair value adjustments of available-for-sale financial assets, fair value adjustments of derivatives and unused tax losses.

The undistributed profits of foreign subsidiaries are not recognized as **deferred tax liabilities**. The assets are invested permanently in the countries in question. The translation differences generated by the consolidation of foreign subsidiaries are not recognized as deferred tax liabilities.

**Deferred tax assets** have been recognized to the extent that it is probable that taxable profits will be available in the future, against which temporary differences can be utilized. The conditions for recording a deferred tax asset have been assessed on the end date of each reporting period. Deferred tax assets and liabilities have been offset to the extent that there is an enforceable right to offset current tax liabilities based on taxable income for the financial year and tax assets based on taxable income for the financial year, and where the deferred tax assets and liabilities relate to the same taxation authority.

**Key uncertainties related to management judgement and estimation**

The Group is subject to income taxes in Finland and several other countries. Management's estimation has been required in determining the amount based on the taxable income for the financial year, tax of uncertain tax positions, as well as deferred tax assets and liabilities. The recognition and the basis of preparation of the deferred tax assets has been estimated at the end of the financial year and the extent to which deferred tax assets can be recognized to the balance sheet. The management estimates how likely it is for the Group's companies to have future recoverable taxable income against which unused tax losses can be utilized. The preparation estimates used in the estimates at the end of the financial year may differ from the actual ones, in which case changes in tax assets have been recognized as expenses in the income statement.

**NOTE 9**
**Deferred tax assets**

EUR 1,000	1.1.2024	Entered through profit or loss	Entered in comprehensive income statement	Recognized in shareholders' equity	31.12.2024
Intercompany inventory profit	36	-16	-	-	20
Provisions	253	-6	-	-	247
Employee benefits	0		-	-	0
Tax losses and credits unused	4 088	-2322	-	-	1 766
Other temporary differences	1 384	-5	0		1 379
Deferred tax assets, total	5 761	-2 348	0	-	3 413
Offset from deferred tax liabilities	-196		-	-	-196
<b>Deferred tax assets, net</b>	<b>5 566</b>				<b>3 217</b>

**Comparison year**

EUR 1,000	1.1.2023	Entered through profit or loss	Entered in comprehensive income statement	Recognized in shareholders' equity	31.12.2023
Intercompany inventory profit	12	24	-	-	36
Provisions	305	-52	-	-	253
Employee benefits	0	0	-	-	0
Tax losses and credits unused	3 685	403	-	-	4 089
Other temporary differences	1 037	347	0		1 384
Deferred tax assets, total	5 038	722	0	-	5 761
Offset from deferred tax liabilities	-196		-	-	-196
<b>Deferred tax assets, net</b>	<b>4 843</b>				<b>5 566</b>

**The amount of deferred tax asset recognized in Raute Group's balance sheet** on December 31, 2024 was EUR 3.2 million (EUR 5.6 million). The amount consists mainly of parent company Raute Oyj's confirmed losses for the years 2020-2023 and the calculated tax receivable for the year 2024. Deferred tax assets is recognized up to the extent that future return expectations are estimated to generate taxable income against which the temporary difference can be utilized. The losses of the above-mentioned years have arisen for many reasons, e.g. write-downs related to the decline of business in Russia, restructuring of operations in Finland and China, demand changes caused by the Covid-19 pandemic and later the effects of high cost inflation on purchase prices and the costs of the ERP system project. A measure program has been launched

**Deferred tax liabilities**

EUR 1,000	1.1.2024	Entered through profit or loss	Entered in comprehensive income statement	Recognized in shareholders' equity	31.12.2024
Financial assets at fair value	-112				-112
Effect of Group consolidation	302	26			327
Other temporary differences	40	-13			27
Deferred tax liabilities, total	229	13	0	0	242
Offset to deferred tax assets	-196				-196
<b>Deferred tax liabilities, net</b>	<b>33</b>				<b>46</b>

**Comparison year**

EUR 1,000	1.1.2023	Entered through profit or loss	Entered in comprehensive income statement	Recognized in shareholders' equity	31.12.2023
Financial assets at fair value	-112				-112
Effect of Group consolidation	317	-15			302
Other temporary differences	43	-3			40
Deferred tax liabilities, total	247	-18	-	-	229
Offset to deferred tax assets	-196				-196
<b>Deferred tax liabilities, net</b>	<b>51</b>				<b>33</b>

to improve profitability. The estimates on which the amount of future taxable income is based include management's views on future cash flow, including the amount of turnover, operating expenses and financing costs. Raute Group's ability to generate taxable income also depends on the general state of the world economy as well as factors related to financing, competitiveness and regulation, which are beyond Raute Group's control.

A deferred tax asset has not been recognized for the **losses of the foreign subsidiaries from the fiscal year 2024** (EUR 256 thousand).

**NOTE 10**

EUR 1,000	2024	2023
<b>GOODWILL</b>		
Goodwill at the beginning of the year	1 714	1 714
Increases	0	0
<b>Total</b>	<b>1 714</b>	<b>1 714</b>

**Basis of preparation**

**Goodwill** is the amount by which the acquisition cost has exceeded the fair value of the group's share of the acquired company's identifiable assets and liabilities at the time of acquisition. Identifiable assets acquired in connection with the business acquisition are presented in the balance sheet item Other tangible assets. These items are depreciated during their economic life.

The Group's goodwill is valued at the original acquisition cost less impairment losses. Regular depreciation is not recorded on the Group's goodwill. The Group's goodwill is tested annually and always if any indication of impairment exists.

**Impairment testing**

For the impairment testing, the goodwill is allocated in accordance with the group's new operating segment structure to the cash-generating units (CGUs), where the business is located. Goodwill is allocated to CGUs according to which business unit the goodwill is monitored. Group's operating segments are the same as group's cash-generating units (CGUs). Group's goodwill is entirely belonging to the Analyzers CGU (operating segment).

The recoverable amount of the CGU is determined by using value-in-use calculations, which require the use of assumptions. The cash flows estimate in the calculations are based on the management's judgement and the budgets approved by the management. The discount rate for the calculations is based on the weighted average cost of capital (WACC) in the business area.

A possible goodwill impairment loss is immediately recognized in the income statement. The previously recorded goodwill impairment loss is not reversed.

The management has evaluated the key assumptions of impairment testing at the time of closing the financial statements. When estimating the amount of future cash flow and the discount rate, management has assessed the uncertainty on the operating environment. The recoverable amount of the cash-generating unit is based on the unit's budget and forecasts for four years approved by the management. The cash flows after the forecast period before terminal year have been defined based on the projected estimations, and after the forecast period the cash flows have been defined based on the terminal value method. The discount rate used in the calculations is 12.9% before taxes (13.0% before taxes), consisting of risk-free rate, market risk premium, company-specific risk premium, cost of debt and debt to equity ratio. The discount rate reflects the current market conditions. Terminal growth assumption is 2.0% (2.0%), whereas average net sales growth during the forecast period is 5% (10%). The assumptions used in the cash flow estimates regarding the development of future operations are based on the management's estimates at the time of the financial statements. During the current or previous fiscal year, no impairment losses have been recorded in the income statement.

## NOTE 11

## OTHER INTANGIBLE ASSETS

EUR 1,000	Development costs	Development costs in progress	Other intangible assets	Advance payments and assets in progress	Total
<b>Acquisition cost at Jan. 1, 2024</b>	<b>868</b>	<b>149</b>	<b>20 755</b>	<b>1 406</b>	<b>23 179</b>
Exchange rate differences			5		5
Additions		255	745	138	1 139
Deductions			-8		-8
Reclassification between items			1 406	-1 406	0
<b>Acquisition cost at Dec. 31, 2024</b>	<b>868</b>	<b>405</b>	<b>22 904</b>	<b>138</b>	<b>24 314</b>
<b>Accumulated depreciation and amortization at Jan. 1, 2024</b>	<b>-579</b>	<b>0</b>	<b>-11 564</b>	<b>0</b>	<b>-12 143</b>
Exchange rate differences			-5		-5
Accumulated depreciation of deductions and transfers					0
Depreciation and amortization for the financial year	-289		-1 957		-2 247
Impairments					0
Reclassification between items					0
<b>Accumulated depreciation and amortization at Dec. 31, 2024</b>	<b>-868</b>	<b>0</b>	<b>-13 527</b>	<b>0</b>	<b>-14 395</b>
<b>Book value at Dec. 31, 2024</b>	<b>0</b>	<b>405</b>	<b>9 377</b>	<b>138</b>	<b>9 919</b>

## COMPARISON YEAR 2023

EUR 1,000	Development costs	Development costs in progress	Other intangible assets	Advance payments and assets in progress	Total
<b>Acquisition cost at Jan. 1, 2023</b>	<b>1 619</b>	<b>1 412</b>	<b>13 078</b>	<b>3 978</b>	<b>20 087</b>
Exchange rate differences			-156	17	-139
Additions		149	1 953	1 163	3 265
Deductions			-36		-36
Reclassification between items	-751	-1 412	5 915	-3 752	0
<b>Acquisition cost at Dec. 31, 2023</b>	<b>868</b>	<b>149</b>	<b>20 755</b>	<b>1 406</b>	<b>23 178</b>
<b>Accumulated depreciation and amortization at Jan. 1, 2023</b>	<b>-408</b>	<b>0</b>	<b>-10 291</b>	<b>0</b>	<b>-10 699</b>
Exchange rate differences			139		139
Accumulated depreciation of deductions and transfers					0
Depreciation and amortization for the financial year	-289		-1 294		-1 583
Impairments					0
Reclassification between items	118		-118		0
<b>Accumulated depreciation and amortization at Dec. 31, 2023</b>	<b>-579</b>	<b>0</b>	<b>-11 564</b>	<b>0</b>	<b>-12 143</b>
<b>Book value at Dec. 31, 2023</b>	<b>289</b>	<b>149</b>	<b>9 191</b>	<b>1 406</b>	<b>11 035</b>

The figures for the comparison year have been changed by transferring unfinished development expenditure to its own group from other advance payments.

**Basis of preparation**

**Other intangible assets** include software licenses, patents, capitalized development costs, and other intangible rights. Other intangible assets have been capitalized in the balance sheet when it has been probable that the expected financial benefit resulting from the asset will benefit the company over several years (depreciation period) and the acquisition cost of the asset can be determined reliably. Intangible asset acquisition cost includes purchase price, received cash and other discounts, import duties and other permanent taxes and other costs that directly relate to preparing an intangible asset for its intended purpose. Intangible assets acquired through a business combination have been recognized at fair value at the date of acquisition.

At other times, the cost of other intangible assets is recognized as an expense at the time of its occurrence. Other intangible assets have been capitalized and recognized as an expense on a straight-line basis in accordance with the plan in the income statement over their economic life as follows:

Patents	10 years
Computer software	3–5 years
Other intangible assets	3–10 years
Capitalized development costs	3–10 years

**Development costs** incurred in the design of new or more advanced products and experimental equipment manufactured for the purpose of testing them have been capitalized and presented in the balance sheet as intangible assets from the moment the product is technically feasible, the group intends to finalise the assets and has the ability and resources to do so, it can be commercially exploited, group can reliably define the costs during the development phase and it is expected to provide future economic benefits. Capitalized development costs include those material, labor and testing costs that are directly attributable to bringing the product to its intended use. Capitalized development costs have been valued in the balance sheet after initial recognition cost less accumulated depreciation and amortization. Development costs recognized as an expense for previous financial years are not capitalized later.

**Other intangible asset** has been capitalized in the balance sheet at the original acquisition cost when it has been probable that the expected financial benefit resulting from the asset will accrue to the company over several years (depreciation period) and the acquisition cost of the asset can be determined reliably.

**Impairment of intangible assets**

Depreciable assets have been examined for impairment whenever events or changes in circumstances have suggested that the carrying amount of the assets may not be recovered. At the end of each reporting period, the group assesses are there indications of an intangible asset's impairment. Intangible assets work in progress are tested for impairment annually. Recoverable amount is the fair value of the asset less the cost of disposal or its higher value in use. Value in

use is the present value of the cash flows from an asset that the asset is assumed to generate. For estimating impairment, assets are grouped at the lowest levels at which cash flows can be separately identified.

The amount by which the carrying amount of an asset exceeded its recoverable amount is recognized in the income statement as an impairment loss. The impairment loss recognized in prior periods for assets other than goodwill in intangible assets has been reassessed at each balance sheet date. An impairment loss has been reversed if there has been a change in the circumstances or in the estimates used to determine the recoverable amount of an asset. However, the impairment loss has not been reversed beyond the carrying amount of the asset without the impairment loss being recognized.

**Management's accounting judgments and estimation**

The expected economic useful lives of the items presented in intangible assets in the balance sheet have been reviewed on each balance sheet date. If they deviate significantly from previous estimates, the depreciation plan has been updated to reflect the new impact times.

For each asset, it has been assessed whether there are indications of impairment. If the carrying amount of the asset has exceeded the estimated recoverable fair value of the estimated assets, the impairment is recognized in the income statement. A previous write-down may be reversed if it can be demonstrated that the circumstances have significantly improved.

The valuations are sensitive to assumptions about future expected returns and discount rates. Raute has estimated future expected profits based on forecasts prepared by management and approved by Board of Directors and the related outlook. The discount rate reflects the estimated market-expected rate, considering the time value of money and the specific risks associated with the asset in question, for which adjustments have not been made to the estimated cash flows. The **discount rate** is determined based on the average weighted cost of capital, which describes the total cost of equity and debt, considering the specific risks associated with the assets. The discount rate used in the calculations is 12.9% before tax (13,0% before tax).

**NOTE 12**

EUR 1,000

	<b>2024</b>	<b>2023</b>
<b>RESEARCH AND DEVELOPMENT COSTS</b>		
Research and development costs for the financial year*	<b>-4 930</b>	-4 716
Depreciation of previously capitalized research and development costs**	<b>-666</b>	-648
Development costs recognized as an asset in the balance sheet	<b>255</b>	149
Research and development costs recognized as an expense for the financial year	<b>-5 341</b>	-5 215
Impairments of capitalized development costs		
Research and development costs recognized as an expense for the financial year	<b>-5 341</b>	-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

The figures for the comparison year have been changed between Research and Development Expenditures for the Financial Year and Capitalized Development Expenditures.

**Basis of preparation**

Research cost and those development costs that do not meet the capitalization criteria have been recognized as operating expenses before operating result.

Depreciation is started when the asset is ready for use, i.e. when it is in such a location and condition that it can function as intended by the management. Depending on the estimated lifetime of the product, the useful life of development costs is 3–10 years, during which time capitalized development costs are recognized as an expense on a straight-line basis.

Activated development costs are financial items that can typically bear a significant risk related to the material change in the carrying amounts of the assets during the next financial year due to the nature of those items and the future outlook assessed by the management.

**NOTE 13**
**PROPERTY, PLANT AND EQUIPMENT**

EUR 1,000	Land and water	Buildings and structures	Buildings and structures, right-of-use	Machinery and equipment	Other tangible assets	Assets in progress	Total
<b>Acquisition cost at Jan. 1, 2024</b>	<b>386</b>	<b>12 708</b>	<b>14 479</b>	<b>38 582</b>	<b>1 068</b>	<b>899</b>	<b>68 121</b>
Exchange rate differences		1	105	74	-4	0	175
Additions		212	283	879		287	1 661
Disposals/impairments		-18	-81	-77	-15	-45	-236
Reclassification between items				855		-855	0
<b>Acquisition cost at Dec. 31, 2024</b>	<b>386</b>	<b>12 903</b>	<b>14 785</b>	<b>40 312</b>	<b>1 049</b>	<b>285</b>	<b>69 720</b>
<b>Accumulated depreciation and amortization at Jan. 1, 2024</b>	<b>0</b>	<b>-10 010</b>	<b>-7 609</b>	<b>-33 274</b>	<b>-758</b>	<b>0</b>	<b>-51 652</b>
Exchange rate differences		0	-3	-44	4		-43
Accumulated depreciation and amortization of disposals and reclassifications		8					8
Depreciation and amortization for the financial year		-239	-1 373	-1 248	-50		-2 910
<b>Accumulated depreciation and amortization at Dec. 31, 2024</b>	<b>-</b>	<b>-10 242</b>	<b>-8 985</b>	<b>-34 566</b>	<b>-804</b>	<b>-</b>	<b>-54 597</b>
<b>Book value at Dec. 31, 2024</b>	<b>386</b>	<b>2 660</b>	<b>5 800</b>	<b>5 747</b>	<b>245</b>	<b>286</b>	<b>15 125</b>

**COMPARISON YEAR 2023**

EUR 1,000	Land and water	Buildings and structures	Buildings and structures, right-of-use	Machinery and equipment	Other tangible assets	Assets in progress	Total
<b>Acquisition cost at Jan. 1, 2023</b>	<b>386</b>	<b>12 674</b>	<b>13 814</b>	<b>38 636</b>	<b>1 053</b>	<b>793</b>	<b>67 357</b>
Exchange rate differences		11	-236	-221	-4		-450
Additions		24	560	493	18	125	1 221
Disposals/impairments			-47	-347			-394
Reclassification between items			387	20		-20	387
<b>Acquisition cost at Dec. 31, 2023</b>	<b>386</b>	<b>12 708</b>	<b>14 479</b>	<b>38 582</b>	<b>1 068</b>	<b>899</b>	<b>68 121</b>
<b>Accumulated depreciation and amortization at Jan. 1, 2023</b>	<b>0</b>	<b>-9 737</b>	<b>-6 358</b>	<b>-31 855</b>	<b>-710</b>	<b>0</b>	<b>-48 660</b>
Exchange rate differences		-11	2	132	3		127
Accumulated depreciation and amortization of disposals and reclassifications							0
Depreciation and amortization for the financial year		-263	-1 253	-1 552	-51		-3 119
<b>Accumulated depreciation and amortization at Dec. 31, 2023</b>	<b>0</b>	<b>-10 010</b>	<b>-7 609</b>	<b>-33 274</b>	<b>-758</b>	<b>0</b>	<b>-51 652</b>
<b>Book value at Dec. 31, 2023</b>	<b>386</b>	<b>2 697</b>	<b>6 869</b>	<b>5 308</b>	<b>310</b>	<b>900</b>	<b>16 469</b>

The figures for the comparison year have been changed under Buildings and structures, right of use related to the office building of Raute Changzhou Machinery.

**Basis of preparation**

**Tangible fixed assets** are valued at acquisition cost less accumulated depreciation and impairment. The acquisition cost includes the purchase price, cash and taxes paid on them. When the tangible fixed asset has been manufactured in-house, it also includes, in addition to the items mentioned above, a share of the Group's fixed costs. Ordinary repair and maintenance costs of fixed assets are recognized through profit or loss as incurred. Any costs incurred in restoring to the original state are taken into account in IFRS accounting as part of the acquisition cost and respectively as provision.

Tangible assets have been depreciated on straight-line basis during the estimated economic life as

Buildings	25–40 years
Machinery and equipment	4–12 years
Other fixed assets	3–10 years
Land	no depreciations are made

The right-of-use assets are depreciated during the term of lease agreement.

The residual values and economic lives of the assets are reviewed at the end of each reporting period and are changed if necessary. If the carrying amount of an asset exceeds the estimated recoverable amount, it is immediately reduced to correspond to the recoverable amount. Capital gains and losses from the disposal of tangible assets are recognized through profit or loss.

**NOTE 14**

EUR 1,000	2024	2023
<b>LEASE CONTRACTS</b>		
<b>Right-of-use assets, changes</b>		
<b>Booking value at the beginning of the financial year</b>	<b>6 869</b>	7 456
Exchange rate differences	<b>102</b>	-234
Additions	<b>283</b>	560
Disposals	<b>-81</b>	-47
Depreciations and impairments	<b>-1 373</b>	-1 253
Reclassification between items	<b>0</b>	387
<b>Booking value at the end of the financial year</b>	<b>5 800</b>	6 869
<b>Liabilities</b>		
Lease liability, long-term	<b>4 267</b>	5 334
Lease liability, short-term	<b>1 349</b>	1 289
<b>Lease liability, total</b>	<b>5 617</b>	6 624
<b>Items recognized in the income statement</b>		
Depreciation of the fixed assets, buildings	<b>-1 327</b>	-1 253
Interest expenses included in the financial items	<b>-80</b>	-83

Information of off-balance sheet pledges and contingent liabilities have been presented in Note no. 28 Pledged assets and contingent liabilities.

**Basis of preparation**

Raute Group has leased warehouse and production facilities for the use of its business. The lease agreements for the premises and production facilities leased by the Raute Group are recorded in the balance sheet.

Leases that include the right to use a leased asset are recorded in the balance sheet under **Right-of-use assets**. An asset is recognized based on the right to use the asset and a lease liability based on the obligation to make lease payments. Fixed assets related to the lease contracts are depreciated during the lease period of the lease contract. If the lease contract is valid until further notice, a contract term of 5 years has been used in the calculations.

The lease liability has been recognized as a liability based on the obligation to pay lease rent. The leases based on extension options that are relatively certain to be exercised in Raute Group have been included in the lease liability. Interest arising from the lease liability has been recognized in the income statement under financial expenses.

If the existing lease agreement changes or the estimates used in the calculation of lease liability and the right to fixed assets change, the fixed asset item and lease liability are revalued at the discount rate applicable at the time of calculation. If the lease under the agreement is index-linked, the lease liability and the fixed asset are revalued at the time of the change in rent.

**Short-term leases** with an expected lease term not exceeding 12 months have been treated as off-balance-sheet lease liabilities and the rent payments associated with these leases have been recognized as an expense in the income statement at the lease period.

**Leases relating to low-value leases** have been treated as off-balance-sheet lease liabilities, regardless of whether the lease is long-term or short-term. The operating rents based on these leases have been recognized as an expense in the income statement in accordance with the lease period.

Leases for short-term leases and low-value assets are presented as an off-balance-sheet item in lease liabilities in Note 27 Collateral and Contingent Liabilities. The rents of short-term and low-value assets in 2024 amounted to EUR 888 thousand (EUR 941 thousand), which consisted entirely of low-value assets.

**NOTE 15**

EUR 1,000	<b>2024</b>	<b>2023</b>
<b>DEPRECIATION AND AMORTIZATION</b>		
<b>Depreciation and amortization by class of assets</b>		
Intangible assets		
- Capitalized development costs	<b>-289</b>	-289
- Other intangible assets	<b>-1 957</b>	-1 472
Property, plant and equipment		
- Buildings and structures	<b>-239</b>	-263
- Buildings, right-of-use assets	<b>-1 621</b>	-1 298
- Machinery and equipment	<b>-1 248</b>	-1 544
- Other tangible assets	<b>-50</b>	-51
<b>Total</b>	<b>-5 404</b>	-4 917

**NOTE 16**

EUR 1,000	2024	2023
<b>INVENTORIES</b>		
Materials and supplies	<b>18 247</b>	18 933
Work in progress	<b>2 092</b>	3 570
Finished goods	<b>282</b>	397
Advance payments paid	<b>2 883</b>	3 469
<b>Total</b>	<b>23 505</b>	26 369

During the accounting period, the book value of the inventory has been reduced to match the transfer price by recording EUR 880 thousand (EUR 38 thousand) as impairment.

The attached information on current assets has been adjusted for the comparison period to match the method of presentation that applies to current assets on December 31, 2024. The changes in the way the notes are presented are shown in the table below.

EUR 1,000	Materials and supplies	Work in progress	Finished products	Advance payments received for long-term projects	Total
Confirmed financial statements on Dec. 31, 2023	17 199	3 570	2 131	3 469	26 369
Adjustment	1 734	0	-1 734	0	0
Adjusted figures as of Dec. 31, 2023	18 933	3 570	397	3 469	26 369

**Basis of preparation**

**Inventories** are valued at or lower net realizable value. The valuation of the stock of materials and raw materials is made using the method of weighted average price. The cost of finished and work in progress products comprises direct material and production costs and the portion of indirect production costs such as salary costs and depreciation allocated to products at a normal operational capacity excluding financial expenses. Costs can include, in addition to acquisition costs, import duties, transportation costs and other directly acquisition related costs deducted by discounts. The net realizable value is the estimated selling price to be obtained in the ordinary course of business less the estimated cost of completion of the product and the cost of sale. The value of inventories considers impairment due to obsolescence. Year 2023 has been adjusted according to 2024 classification of inventory items.

**Risk management**

Advance payments made to suppliers and subcontractors at the balance sheet date carry the risk that the counterparty will not be able to fulfill its contractual obligations and return the advance payment. The risk is managed by examining the size of the subcontractors' risk position and the physical progress of the delivery, as well as by requiring certain suppliers to provide prepayment collateral. At the balance sheet date, unsecured advance payments amounted to EUR 2.9 million (EUR 3.5 million).

**NOTE 17**

EUR 1,000	2024	2023
<b>TRADE PAYABLES AND OTHER LIABILITIES</b>		
<b>Current non-interest-bearing liabilities on the balance sheet</b>		
Advance payments received	<b>46 007</b>	58 860
Trade payables	<b>13 138</b>	13 797
Accrued expenses and prepaid income	<b>13 650</b>	9 949
Derivatives	<b>29</b>	102
Income tax liability	<b>1 687</b>	1 974
Other liabilities	<b>3 514</b>	3 320
<b>TOTAL</b>	<b>78 025</b>	88 001
<b>Substantial items included in accrued expenses and prepaid income</b>		
Accrued project expenses related to customer contracts	<b>1 088</b>	1 151
Accrued employee related expenses	<b>11 792</b>	8 407
Financial expenses	<b>87</b>	86
Other accrued expenses and prepaid income	<b>683</b>	305
<b>TOTAL</b>	<b>13 650</b>	9 949

**Basis of preparation**

The Group's **trade payables, derivatives, income tax liabilities and other liabilities** include liabilities arising from goods and services delivered prior to the financial year-end. Liabilities are unsecured and mature for payment within 12 months of the end of the reporting period. The carrying amount of items corresponds to their fair value at the closing date.

**NOTE 18**

EUR 1,000	2024	2023
<b>EXCHANGE RATE GAINS AND LOSSES (NET)</b>		
Included in net sales	<b>57</b>	271
Included in financial income and expenses	<b>27</b>	-422
Included in other comprehensive income items	<b>72</b>	-450
<b>TOTAL</b>	<b>156</b>	-601

**Basis of preparation**

**Foreign currency transactions** in separate financial statements have been converted into functional currency at the exchange rates prevailing on the dates of the transactions. In practice, an exchange rate has been used that corresponds approximately to the exchange rate at the time of the event. Monetary items denominated in foreign currencies have been converted to the functional currency at the exchange rates prevailing at the end of the financial year. Non-monetary items denominated in foreign currencies, measured at fair values, have been converted to the functional currency at the exchange rates prevailing on the date on which the fair value is determined. Otherwise, non-monetary items are valued at the course on the day of the event.

Gains and losses arising from operations denominated in foreign currencies and changes in monetary items are recognized in the income statement. Foreign exchange gains and losses on transactions are presented on net in the corresponding items above operating result. Exchange gains and losses related to cash and cash equivalents, loans and other financial assets and liabilities are presented in the financial income and expenses of the income statement.

**Comprehensive income statement items** include changes in the fair value of currency derivatives that meet the conditions for cash flow hedging. In addition, this item includes the translation difference arising from a net investment in a foreign subsidiary.

**NOTE 19**

EUR 1,000	2024	2023
<b>DERIVATIVES</b>		
<b>Nominal values of forward contracts in foreign currency</b>		
Hedge accounting		
- Related to the hedging of net sales	<b>8 130</b>	18 993
Derivatives which do not meet the criteria of hedge accounting		
- Related to financing	-	-2 715
<b>Fair values of forward contracts in foreign currency</b>		
Hedge accounting		
- Related to the hedging of net sales	<b>-279</b>	95
Derivatives which do not meet the criteria of hedge accounting		
- Related to financing		-24

The company has hedged items related to intra-group financing.

EUR 1,000	2024 Nominal value	2023 Nominal value
<b>Contractual maturities of hedge accounting derivatives</b>		
<b>Related to the hedging of net sales</b>		
Under one year	<b>8 130</b>	18 993
<b>TOTAL</b>	<b>8 130</b>	18 993

EUR 1,000	2024	2023
<b>Changes in hedge reserves</b>		
<b>Hedge reserves Jan., 1</b>	<b>154</b>	134
Additions to hedge accounting (through comprehensive income)	<b>-279</b>	20
Transferred to profit or loss (from comprehensive income items)		-
From hedge accounting to economic hedging		-
Deferred tax at Group's tax rate 20%		-
<b>Hedge reserve at Dec., 31</b>	<b>-125</b>	154

**Basis of preparation**

In accordance with its financial policy, the Group has used currency derivative contracts to hedge exchange rate risks related to future transactions of commercial transactions and financial items. At the time of the adoption of each derivative contract it is determined in which assets or liability recognized in the balance sheet, or highly probable forecasted transaction (cash flow hedge) it protects.

**Hedge accounting** has been applied when the derivative meets the conditions set for hedge accounting. The decision on the application of hedge accounting is made for each contract separately at the time of the contract. Each hedging derivative protects certain assets and liabilities, binding contracts, or future binding transactions. The hedging relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy for hedging transactions, are documented when the hedging relationship arises.

The effective share of changes in the fair values of derivatives that meet the criteria for hedge accounting is recognized in equity through other comprehensive income. The gain or loss associated with the ineffective portion is recognized immediately in the income statement when the hedge is ineffective. When a derivative no longer meets the criteria for hedge accounting, gains or losses accumulated in equity has been recognized in profit or loss.

### Management of financing risks

The objective of the Group's financing risk management is to minimize the negative effects of the changes in the financial markets on the Group's financial performance to ensure sufficient liquidity in all market conditions. The Group has a financing policy approved by the parent company's Board of Directors, which defines the thresholds that guide its operations, the financial and hedging instruments to be used and the acceptable counterparties. The Group's financial risks are managed by the parent company's finance function, which is responsible for identifying, assessing and hedging financial risks in cooperation with the operational units. The Group's CFO is responsible for the finance function. The Board of Directors regularly monitors the extent of financial risks through, for example, the net foreign exchange position, the age distribution and hedging rate of receivables, and cash flow forecasts.

The Group, in its operations, is exposed to financing risks which have been classified into market, counterparty and liquidity risks. Market risks include currency, interest and price risks. Currency risk is further divided into transaction and translation risks. The Group's most significant counterparty risks are customer credit risks related to contractual counterparties in the project business and counterparty risks related to the Group's investment activities. The key risk areas of the Group's international business operations have been identified as credit loss risk of the counterparty risks and currency risks from market risks. The Group is also exposed to liquidity and refinancing risks.

The supplementary information related to the financial risks is presented in the supplementary information items as follows:

- Customer credit risks, Accounts receivables and customer contract assets, page 84
- Counterparty risks, Accounts receivables and customer contract assets, page 84
- Price risks, Materials and services, page 85
- Currency risks, Risk Management – Currency risks, page 108
- Interest risks, Financial liabilities, page 115
- Liquidity risks, Liquidity risk – Covenants, page 122

Group has a financing agreement with two Nordic Banks, according to which the amount of committed revolving credit facility (RCF) is MEUR 5.0 and a total of MEUR 68,7 of non-commensurable guarantee limit. During 2024, Raute continued its bank guarantee and revolving credit facility agreement. After the amendment, the arrangement will remain in force until 2026, with the possibility of extending it for one year.

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. In addition, Group agreed a new EUR 28 million guarantee limit during the comparison year which will be used for Metsä Wood LVL-mill project.

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

### Covenants in the new financing agreement

The special terms related to the financial key figures of the existing financing agreement, i.e., covenants, are minimum EBITDA and equity ratio. Covenants are reported to the lender quarterly. If the covenant conditions are not met, the creditor can demand an accelerated repayment of the existing limits and terminate the financing agreement. The Group has successfully passed the covenants during the reporting period..

**Risk management**

The Group operates in international markets and is thus exposed to currency risks resulting from changes in currency exchange rates. The Group's currency risks consist of foreign currency denominated sales and purchases as well as assets and liabilities recognized in the balance sheet (transaction risks) and investments in foreign subsidiaries (translation risks).

The Group's main currency is the euro. The most significant currency risks results from the following currencies:

- Canadian dollar (CAD)
- US dollar (USD)
- Chinese yuan (CNY).

The distribution of the Group's sales varies annually according to market area. In 2024, 45.1 percent (67%) of the Group's net sales were generated outside the euro zone. The Group uses Group company's functional currency as the primary trading currency, of which the most significant is the euro. The proportion of the net sales sold in a currency other than the Group's home currency was 11.1 percent (10.6%) of the group's turnover in 2024.

As a general rule, the Group's operative units hedge their foreign currency denominated payments based on binding sales contracts of more than 100 thousand euros from the moment the contracts take effect. Currency forward contracts are used to hedge operative sales payments.

As a rule, the Group hedges the internal trading of more than 100 thousand euros with forward contracts. The most significant individual currency risk related to purchasing arises from the Parent company's internal purchases from a subsidiary operating in China. The trading currency in these purchase agreements is the euro but the Group's costs are determined in Chinese yuan. Primarily, cash flows accumulating from unhedged sales payments in the same currency are used in the hedging of currency risks related to binding procurement contracts.

Future cash flows, which are not based on mutually binding contracts are generally not hedged. Currency clauses are used to hedge against currency risks during the quotation period. Currency risks related to preliminary sales contracts are

hedged on case-by-case basis with currency option contracts. The nominal value of forward contracts protecting transactions at the time of closing the accounts was EUR 8.1 million (MEUR 19.0) and the fair value was EUR 279 thousand negative (EUR 95 thousand positive).

The internal loans and deposits taken out by the Group companies are mainly in the functional currency of the subsidiary in question. The currency exchange risks of the Group's internal loans are hedged with forward contracts, with the exception of equity loans or loans in fact classified as such.

At the end of the financial year 2024 the Group had no forward contracts related to the hedging of Group's financing items. At end of previous year 2023, there was one forward contract which related to the hedging of the Group's financing items.

At the balance sheet date, the Group had no forward contracts which did not meet the hedge accounting criteria.

The Group applies hedge accounting to the currency derivative contracts when the change in the fair value of a contract may have a significant temporary effect on the Group's operating profit due to the change in exchange rates. The Group's Parent company enters into a derivative contract with an external counterparty which is defined as a hedging instrument in hedge accounting. Subsidiaries use internal derivatives to hedge the transactions defined as the hedged items. The total amounts of the valuation gains and losses for derivatives are presented in Note no. 19 Derivatives

The Group regularly monitors **transaction risks** by the main currency pairs. Net currency positions take into account the known future currency flows related to binding contracts from the balance sheet date onwards, as well as the derivative contracts intended to hedge them, regardless on which financial year the risk exposure will affect. The aim of managing currency risks is to keep the open net currency positions of each Group currency pair at less than EUR 500 thousand euros for each currency pair. The Group's net currency position and the portion of it included in the balance sheet at the reporting date (Net balance sheet risk) are presented in by currency pairs in the following table:

EUR 1,000	Net currency position		Net balance sheet risk	
	2024	2023	2024	2023
CNY/EUR	781	-1 476	330	-497
CAD/EUR	150	850	1 058	4 065
USD/EUR	1 773	8 678	3 544	7 270

Cash flows related to binding contracts included in the net currency position EUR 1,228 thousand (EUR 4,413 thousand) is hedged from the CAD/EUR currency pair and EUR 3,045 thousand (EUR 8,810 thousand) from the USD/EUR currency pair.

The Group has foreign subsidiaries whose equity is in a currency other than the Parent company's functional currency. These investments in foreign subsidiaries expose the Group to translation risk. The currency risks related to the conversion of the foreign subsidiaries' net investments into the Group's home currency, the euro, is not hedged. The Group's subsidiaries' non-euro denominated equity was altogether EUR 15,993 thousand on December 31, 2024 (EUR 13,318 thousand euros). Non-euro-denominated equity is broken down by currency in the following table:

**Subsidiaries' equity, non-euro-denominated**

EUR 1,000	2024	2023
CNY	723	1 680
RUB	642	-342
CAD	6 090	4 371
USD	7 466	6 525
Other	1 072	1 085
Total	15 993	13 318

The **sensitivity analysis** of exchange rate transaction risk, i.e. the effect of a reasonable and possible exchange rate change on the Group's profit or loss after tax on December 31, 2024 is presented in the following table:

**Effect on profit after tax**

EUR 1,000		<b>2024</b>	<b>2023</b>
CNY +/- 30%	+/-	<b>145</b>	273
CAD +/-30%	+/-	<b>34</b>	195
USD +/- 30%	+/-	<b>330</b>	1 604

All foreign currency receivables and liabilities as well as the currency derivative contracts, recognized in the balance sheet on the reporting date, have been taken into account in the sensitivity analysis. In the analysis, the change in exchange rate has been assumed to be +/-30 percent from the reporting date based on the prevailing uncertainty in the financial market development. Other factors have been assumed to remain unchanged.

**NOTE 20**

EUR 1,000	2024	2023
<b>SHARE CAPITAL</b>		
<b>Share capital at Jan. 1</b>	<b>8 256</b>	8 256
<b>Share capital at Dec. 31</b>	<b>8 256</b>	8 256
<b>FAIR VALUE RESERVE AND OTHER RESERVES</b>		
<b>Invested non-restricted equity reserve at Jan. 1</b>	<b>18 205</b>	5 711
Net proceeds from directed share issue and rights issue		12 494
Repurchase of own shares		
<b>Invested non-restricted equity reserve at Dec. 31</b>	<b>18 205</b>	18 205
<b>Own shares at Jan. 1</b>	<b>-950</b>	0
Repurchase of own shares	<b>-53</b>	-950
Transfer of own shares	<b>53</b>	-
<b>Own shares at Dec. 31</b>	<b>-950</b>	-950
<b>Other reserves at Jan. 1</b>	<b>1 321</b>	1 034
Fair value reserve		
Hedging reserve, hedge accounting	<b>-376</b>	19
Equity-settled share-based transactions	<b>611</b>	527
Deferred taxes related to these items		-
Transfer of gain on disposals of equity investments at fair value through other comprehensive income to retained earnings	<b>-219</b>	-260
Exchange differences relating to a foreign unit	<b>-121</b>	
<b>Other reserves at Dec. 31</b>	<b>1 216</b>	1 321
<b>EXCHANGE RATE DIFFERENCES</b>		
<b>Exchange rate differences at Jan. 1</b>	<b>541</b>	939
Exchange rate differences on translating foreign operations	<b>72</b>	-398
<b>Exchange rate differences at Dec. 31</b>	<b>613</b>	541
<b>RETAINED EARNINGS</b>		
<b>Retained earnings at Jan. 1</b>	<b>8 028</b>	6 956
Transfer of gain on disposals of equity investments at fair value through other comprehensive income to retained earnings		-
Convertible junior loan	<b>-350</b>	-278
Dividends	<b>-603</b>	
Profit for the financial year	<b>12 111</b>	1 350
Exchange differences on translating foreign operations	<b>166</b>	
<b>Retained earnings at Dec. 31</b>	<b>19 352</b>	8 028
<b>EQUITY LOAN</b>		
<b>Equity loan on Jan 1.</b>	<b>3 000</b>	-
Convertible junior loan	<b>0</b>	3 000
<b>Equity loan on Dec. 31</b>	<b>3 000</b>	3 000
<b>TOTAL EQUITY</b>	<b>49 692</b>	38 401

**Basis of preparation**

Shares held by third parties have been presented in share capital. During the comparison period, Raute has combined its A series shares and K series shares for one series of shares. Expenditure directly related to issuance or acquisitions of own, equity-based instruments are presented as a deduction from equity.

The **invested non-restricted equity reserve** includes other equity investments and the share subscription price to the extent that it is not subscribed to the share capital according to the specific decision, and the purchase of company's own shares.

**Other reserves** include a revaluation fund created from fair value appreciation, granted share-based remuneration settled in shares and a fund for hedging instruments.

**Exchange rate differences** include exchange differences arising from translation of foreign subsidiaries' financial statements.

**Convertible junior loans** include convertible junior loans and other that kind of loans that are classified as equity according to IFRS.

The **dividend** proposed by the Board of Directors to the Annual General Meeting has been recognized as a liability and a deduction from distributable equity for the period in during which the shareholders have approved the dividend to be distributed.

The Annual General Meeting held on April 4, 2024 decided according to the proposal of the Board of Directors that a dividend of EUR 0.10 per share shall be paid for the financial year 2023 by a resolution of the Annual General Meeting and the of the distributable assets be transferred to equity.

**NOTE 21**

EUR 1,000

	2024	2023
<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 asset at fair value through other comprehensive income	-219	-260
<b>Items that may be subsequently reclassified to profit or loss</b>		
Hedging reserve, hedge accounting	-376	19
Exchange differences on translating foreign operations	72	-450
Deferred taxes related to these items	44	52
<b>Total</b>	<b>-479</b>	<b>-639</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME ITEMS</b>	<b>-479</b>	<b>-639</b>

**Basis of preparation**

Other comprehensive income items include income and expense items that are included in other comprehensive income in accordance with IFRS standards and are not recognized in profit or loss. At the balance sheet date, the other comprehensive income items of the Raute Group included exchange rate gains and losses arising from translating the financial statements of the foreign units, the share of gains and losses resulting from hedging instruments in cash flow hedges, the gains and losses recognized from the valuation of financial assets that are valued or classified as at fair value through other comprehensive income items, and the current tax effects based on the taxable income for the period and deferred taxes related to these items. Year 2023 tax effects have been adjusted.

**NOTE 22**

<b>Shares, 1,000 pcs</b>		<b>2024</b>	<b>2023</b>
Combined series shares	1 vote/share	<b>6 123</b>	6 123
<b>Total at Dec. 31.</b>		<b>6 123</b>	6 123
<b>Own shares at Jan. 1, 1,000 pcs</b>		<b>97</b>	-
Repurchase of own shares		<b>5</b>	97
Transfer of own shares		<b>-5</b>	
<b>Own shares at Dec. 31</b>		<b>96</b>	97
<b>Reconciliation of the number of shares, 1,000 pcs</b>			
Number of shares at Jan. 1		<b>6 123</b>	4 263
Directed share issue		-	839
Rights issue		-	1 020
<b>Total number of shares at Dec. 31</b>		<b>6 123</b>	6 123

In the beginning of the comparison period, Raute Corporation had two series of shares, series K and series A. During the comparison period, Raute combined these series of shares. Raute Oyj's share amount on 31 December 2024 was 6,122,679 shares. of the shares are in control of Raute Oyj through holding of EAI Raute Holding Oy.

Share-related key figures are presented on page 151 of the financial statements.

**Capital structure management**

The objective of the Group's capital structure management is an efficient capital structure that secures the Group's operational preconditions in the capital market. During the comparison year 2023, Raute agreed a new financing arrangement and issued new equity amounting to net EUR 15.5 million. The equity was incurred by a directed share issue, share rights issue and junior loans. These actions strengthened the balance sheet which was weakened during the year 2022 due to among other things Russian projects wind-down caused impairments. The Group's capital structure is monitored by the equity ratio index, for which a strategic target level has been set. During the comparison year 2023 new financial targets were set, including keeping the equity ratio at more than 40 percent level. At the end of the financial year, the equity ratio was 55.2 percent (50.2%).

<b>Changes in share capital</b>	<b>Share capital, euros</b>	<b>Combined series shares, pcs</b>
<b>Share capital at Jan. 1, 2024</b>	<b>8 256 316</b>	<b>6 122 679</b>
<b>Share capital at Dec. 31, 2024</b>	<b>8 256 316</b>	<b>6 122 679</b>

**NOTE 23**

	2024	2023
<b>Undiluted earnings per share</b>		
Share of result that belongs to the owners of the Parent company, EUR 1,000	12 111	1 350
Weighted average number of shares, 1,000 pcs	6 123	5 550
Earnings per share, EUR	1.96	0.22
<b>Diluted earnings per share</b>		
Share of result that belongs to the owners of the Parent company, EUR 1,000	12 111	1 350
Weighted average number of shares, 1,000 pcs	6 350	5 597
Earnings per share, EUR	1.91	0.22
<b>The weighted average number of shares used as a divisor when calculating diluted earnings per share.</b>		
When calculating undiluted earnings per share the weighted average of the number of shares used, 1,000 pcs	6 123	5 550
Options, own shares and share-based benefits, 1,000 pcs	227	47
Earnings per share adjusted for dilution weighted by the number of shares used in the calculation average, 1'000 pcs	6 350	5 597

The 236,407 share options related to the Junior Loan have been taken into account in the calculation of diluted earnings per share in the financial year 2024. In the comparison period, share options have not had a dilutive effect on earnings per share and they have not been taken into account in the calculation.

**Basis of preparation**

Undiluted earnings per share is calculated by dividing the profit for the financial year attributable to the shareholders of the Parent company by the weighted average of outstanding shares during the financial year.

**Diluted earnings per share** have been calculated by dividing the period's profit attributable to equity holders of the Parent company by the weighted average of shares in the period, which have been adjusted by dilutive effect of the Sharea-based benefits. Sharea-based benefits have dilutive effect if the exercise price of the share benefit is lower than the fair value of the share.

Instruments that might have dilutive effect on earnings per share (e.g. junior loan) are taken into account on those financial years when they have dilutive effect on earnings per share.

For the calculation of diluted earnings per share, Share-based benefits calculation is done to determine the number of shares that could have been acquired at fair value (the company's share's average market price for the financial year) based on the monetary value of the subscription rights attached to outstanding share benefits. This number of shares is compared with the number of shares that would have been issued assuming the exercise of the share benefits.

**NOTE 24**

EUR 1,000	2024	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>	<b>0</b>	<b>0</b>

Derivative contracts have been classified as financial 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 financial year, financial assets did not include derivative contracts (financial year 2023 EUR -24 thousand).

The following table shows the carrying amounts of financial item which corresponds their fair value carried in the consolidated balance sheet. The Group's principles of fair value determination related to the financial instruments have been described in the note Basis of preparation.

EUR 1,000	Carrying amount 31.12.2024	Carrying amount 31.12.2023
<b>Carrying amounts of financial liabilities</b>		
Financial liabilities at fair value through profit or loss		
- Derivative contracts	-	-24
Financial liabilities recognized at amortized cost		
- Financial loans	-	-
- Account limit	-	-
- Trade payables and other liabilities	<b>13 138</b>	11 734
- Accrued expenses and prepaid income	-	-
<b>Total</b>	<b>13 138</b>	11 710

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

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.

**Financial liabilities** have been classified as financial liabilities valued at amortized cost and financial liabilities valued at fair value through profit or loss according to the IFRS 9 standard. Financial liabilities are initially recognized in the books at fair value. Later, financial liabilities, with the exception of derivative liabilities, have been valued at amortized cost using the effective interest method. Short-term financial liabilities are debts where the Group has no unconditional right to defer the payment of the debt to for at least 12 months after the reporting date.

The installments due during the next fiscal year of the **financial loan** are presented in the current liabilities.

Collateral and liabilities for the Group's loans are presented in Note no. 27 Pledged assets and contingent liabilities.

In the consolidated balance sheet, a lease contract liability has been entered based on the obligation to make lease payments. The lease liability is valued at the current value of the rents which are to be paid in the future according to the contract, but which have not been paid at the at the time of valuation. The interest expense on the lease liability is recognized in the Financial expenses item in the income statement. The lease liability is separately presented in the consolidated balance sheet and is an interest-bearing item. At the balance sheet date December 31, 2024, the amount of the Group's lease liabilities was EUR 5,617 thousand (EUR 6,624 thousand), of which EUR 1,349 thousand was current lease liability (EUR 1,289 thousand) and EUR 4,267 thousand (EUR 5,334 thousand) was non-current lease liability.

### **Risk management**

The Group's **interest rate risk** results from financial liabilities. The Group may hedge against interest rate risk of debt capital with interest rate derivative instruments, fixed-rate loans and sufficient amount of liquid assets. At the balance sheet date, the Group does not have any financial liabilities. The credit limit utilized by the Group is variable-rate, which exposes the Group to cash flow interest rate risk.

**MATURITIES OF FINANCIAL LIABILITIES**

EUR 1,000	2025	2026	2027	2028	2029	2030	2031-	Total cash flows based on contracts	Book value
<b>Not included in derivative liabilities</b>									
Bank loans									
Lease liabilities	1 555	1 486	1 177	1 066	773	432	101	6 590	5 617
Accounts payable and other liabilities	13 138							13 138	13 138
<b>Total</b>	<b>14 692</b>	<b>1 486</b>	<b>1 177</b>	<b>1 066</b>	<b>773</b>	<b>432</b>	<b>101</b>	<b>19 727</b>	<b>18 754</b>

**MATURITIES OF FINANCIAL LIABILITIES, COMPARISON YEAR**

EUR 1,000	2024	2025	2026	2027	2028	2029	2030-	Total cash flows based on contracts	Book value
<b>Not included in derivative liabilities</b>									
Bank loans									
Lease liabilities	1 503	1 531	1 445	1 131	1 024	757	1 276	8 667	6 624
Accounts payable and other liabilities	11 734							11 734	11 734
<b>Total</b>	<b>13 237</b>	<b>1 531</b>	<b>1 445</b>	<b>1 131</b>	<b>1 024</b>	<b>757</b>	<b>1 276</b>	<b>20 401</b>	<b>18 357</b>

**FINANCIAL LOANS AND LEASE DEBT**

EUR 1,000	<b>Loans</b>	<b>Use of account limit</b>	<b>Lease agreements</b>
<b>Jan. 1, 2023</b>	0	6 729	7 581
Financing cash flows	-	-	-
Lease debt repayments	-	-	-1 284
Use of account limit	-	-6 729	-
Repayment of loans	-	-	-
Non-cash flow related changes	-	-	327
<b>Dec. 31, 2023</b>	0	0	6 623
<b>Jan. 1, 2024</b>	0	0	6 623
Financing cash flows	-	-	-
Lease debt repayments	-	-	-1 279
Use of account limit	-	-	-
Repayment of loans	-	-	-
Non-cash flow related changes	-	-	273
<b>Dec. 31, 2024</b>	<b>0</b>	<b>0</b>	<b>5 617</b>

EUR 1,000	<b>2024</b>	<b>2023</b>
<b>NET LIABILITIES</b>		
Financial loans maturing within one year		
Lease liability at the end of the financial year	<b>5 617</b>	6 623
Deducted: Financial assets at the end of the period	<b>-57 503</b>	-48 105
<b>Net liabilities</b>	<b>-51 887</b>	-41 482

**NOTE 25**

EUR 1,000	2024	2023
<b>FINANCIAL ASSETS</b>		
Financial assets at the beginning of the period	48 105	7 618
Change in financial assets	9 373	40 552
Exchange rate differences from financial assets	26	-65
<b>Financial assets at the end of the period</b>	<b>57 503</b>	48 105

EUR 1,000	2024	2023
<b>OTHER FINANCIAL ASSETS</b>		
Unquoted share investments	113	365
<b>Total</b>	<b>113</b>	365

**Basis of preparation**

At the end of the reporting period December 31, 2024, the fair value of the financial assets categorized at fair value hierarchy level 3 was EUR 113 thousand (EUR 365 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 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.

The classification, accounting and measurement of the financial assets is an area where management judgment is related to, and those typically bear a significant risk of material changes in the carrying amounts of those items during the next financial year.

EUR 1,000	Carrying amount 31.12.2024	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	-90	129
- Unquoted share investments	113	365
Financial assets at amortized cost		
- Account receivables and other receivables	8 337	7 033
- Cash and cash equivalents	57 503	48 105
<b>Total</b>	<b>65 863</b>	55 632

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	-	-	113	113
Financial assets at fair value through profit or loss				
- Derivative contracts	-	-	-	-
<b>Total</b>	-	-	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.

**Financial assets** are classified in accordance with the IFRS 9 Financial Instruments standard into financial assets recognized at fair value through profit and loss, financial assets valued at fair value through other comprehensive income items, and financial assets valued at amortized costs. The classification has been made based on the purpose of the acquisition and nature of the cash flow in conjunction with the original acquisition. Financial assets have been written off the balance sheet when the contractual right to cash flows or when the risks and returns of the financial asset have been transferred to a significant outside the Group. Financial assets maturing within 12 months are included in current assets.

The fair values of **derivative contracts which do not fulfill the conditions of hedge accounting** have been determined using market values for corresponding contracts and maturity on the balance sheet date. Gains and losses resulting from changes in fair value are recognized in the income statement in the financial period during which they incurred. The nominal values of currency forward contracts are presented in Note No. 18 Derivatives.

**Financial assets valued at amortized cost** include accounts receivables, assets based on customer contracts and other receivables. Due to the short-term nature of the receivables, their original book value corresponds to their fair value of the receivable. The discounting effect is not significant considering the maturity of the receivables. At the time of closing the accounts do not include significant risk clusters.

**Expected credit loss, EUR 1,000**

<b>31 December 2024</b>	<b>Not due</b>	<b>1-30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>91-180 days</b>	<b>181-360 days</b>	<b>&gt;360 days</b>	<b>Total</b>
Book value of accounts receivables before bad debt allowances	6 201	1 384	556	96	269	187	374	<b>9 068</b>
Expected credit loss rates ECL, %	0.00%	0.00%	4.00%	20.00%	30.00%	50.00%	100.00%	
Expected credit loss ECL allowance		0	22	19	81	94	98	<b>314</b>
Expected credit loss on accounts receivable based on management judgement	215						276	<b>491</b>
<b>Expected credit loss on accounts receivable</b>	<b>215</b>	<b>0</b>	<b>22</b>	<b>19</b>	<b>81</b>	<b>94</b>	<b>374</b>	<b>805</b>
Contractual assets	11 897							<b>11 897</b>
Expected credit loss on contractual assets based on management judgement	931							<b>931</b>
<b>Expected credit loss on contractual assets</b>	<b>931</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>931</b>
<b>Expected credit loss, EUR 1,000</b>	<b>1 399</b>	<b>0</b>	<b>22</b>	<b>19</b>	<b>81</b>	<b>117</b>	<b>98</b>	<b>1 736</b>

**Expected credit loss, EUR 1,000**

<b>31 December 2023</b>	<b>Not due</b>	<b>1-30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>91-180 days</b>	<b>181-360 days</b>	<b>&gt;360 days</b>	<b>Total</b>
Book value of accounts receivables before bad debt allowances	4 473	1 385	242	507	375	710	18	<b>7 710</b>
Expected credit loss rates ECL, %	0.00%	0.00%	0.01%	1.00%	1.00%	25.00%	100.00%	
Expected credit loss ECL allowance	0	0	0	5	4	178	12	<b>200</b>
Expected credit loss on accounts receivable based on management judgement							6	<b>6</b>
<b>Expected credit loss on accounts receivable</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>178</b>	<b>18</b>	<b>206</b>
Contractual assets	12 646							<b>12 646</b>
Expected credit loss on contractual assets based on management judgement								<b>0</b>
<b>Expected credit loss on contractual assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expected credit loss, EUR 1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>178</b>	<b>18</b>	<b>206</b>

EUR 1,000	<b>Contractual assets</b>		<b>Accounts receivables</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Opening loss allowance at 1 January	0	0	206	261
Increase in loss allowance recognized in profit or loss during the year	1 231		605	-55
Unused amount reversed			82	
<b>Expected credit loss at the end of the year</b>	<b>1 231</b>	<b>0</b>	<b>849</b>	<b>206</b>
Change in bad debt allowance in total	1 530			
Receivables written off during the year as uncollectible	44			
<b>Change in bad debt allowance and actualized credit losses during the year</b>	<b>1 574</b>			

**Impairment of financial assets**

The credit loss risk related to the accounts receivables has been estimated according to the standard IFRS 9 based on evaluation of the validity period expected for accounts receivables at the balance sheet date. Raute Group has applied a simplified approach allowed for recognition of credit losses of accounts receivables, because accounts receivables do not contain significant financing component. According to the simplified approach, the expected credit loss for the entire validity period of the trade receivables is recognized. The risk of credit loss at the beginning of the contracts is reduced by advance payments.

The accounts receivables are grouped for determination based on aging distribution. The expected credit loss is based on historical credit loss amounts taking into account possible customer-specific individual estimates and forward-looking factors based on the used model. Information on the expected credit loss risk is presented in the table Expected credit loss risk. Anticipated impairment losses have been recognized through profit or loss. If the amount of the impairment loss decreases in any subsequent financial year and the deduction may be considered to be related to an event after the recognition of impairment, the recognized loss is reversed through profit or loss.

During the accounting period, the value of trade receivables on the balance sheet has been reduced based on expected credit losses amounting to 805 thousand euros (206 thousand euros). If the amount of the impairment loss decreases in any subsequent financial year and the reduction can be considered to be related to an event after the impairment was recognized, the recognized loss is reversed through profit or loss.

The impairment model has no effect on other financial assets or on financial assets recognized at fair value through profit or loss in accordance with IFRS 9 standard, because at the time of fair value measurement the expected credit losses have already been taken into account.

**NOTE 26**

EUR 1,000	2024	2023
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank accounts	<b>57 503</b>	48 105
<b>TOTAL</b>	<b>57 503</b>	48 105
<b>Cash and cash equivalents in the cash flow statement</b>		
Cash and cash equivalents	<b>57 503</b>	48 105
<b>TOTAL</b>	<b>57 503</b>	48 105

**Basis of preparation**

**Cash and cash equivalents** comprise cash in hand, current bank deposits and other liquid short-term investments with maturity of three months or less. Bank overdrafts are included in current interest-bearing liabilities. Credit accounts related to Group accounts are included in current interest-bearing liabilities and are presented net if the Group has a contractual legal set-off right to pay or otherwise eliminate the amount due to the creditor in whole or in part.

**Risk management**
**Counterparty risk of investment activities**

The financing instrument contracts that the Group has concluded with banks and financial institutions involve the risk that the counterparty will not be able to fulfill its obligations according to the contract. In investment activities and when concluding derivative contracts, only those parties with a good credit rating and who meet the other terms and conditions defined in the financing policy are accepted as counterparties. When making investments, derivative contracts and loan agreements, the Group applies counterparty-specific maximum amounts to avoid risk clusters. On the balance sheet date, the funds related to the Group's cash management were in bank accounts. Liquid assets in financial institutions outside the euro zone were EUR 9.3 million (MEUR 9.9) at the balance sheet date.

**Risk management**

Due to the nature of the Group's project business, required financing and the amount of liquid assets vary even in the short term. Predicting working capital requirements is made especially challenging by new orders which have individual payment terms and involve uncertainties related to delivery schedules.

The minimum amounts of cash and cash equivalents, current investments, and available credit liabilities have been defined in the Group's financing policy to secure the Group's liquidity. Good liquidity is maintained primarily through efficient working capital and cash management. In the long term, the risk related to the availability and price financing is managed by utilizing various of sources of financing. Investments are made mainly in current deposits or marketable euro-denominated investments with good credit rating. Investments are required to exhibit sufficient liquidity. The Group had interest-bearing net liabilities in the consolidated financial statements of December 31, 2024 amounting to EUR 0.0 million (MEUR 0.0).

The Group's cash and cash equivalents totaled EUR 57.5 million (MEUR 48.1) at the end of the financial year. The Group has made preparations for fluctuating working capital requirements and possible disturbances in the availability of money with committed standby credit limit worth EUR 5.0 million and a total uncommitted guarantee limit worth EUR 68.7 million with two Nordic banks. At the end of the financial year, committed standby credit limit was not in used. EUR 36,6 million (EUR 30.0 million) of the uncommitted guarantee limits were unused.

**Covenants in the existing financing agreement**

The special terms related to the financial key figures of the existing financing agreement, i.e., covenants, are minimum EBITDA, minimum liquidity and equity ratio.

Covenants under the existing financing agreement are reported to the lender monthly for minimum liquidity and quarterly for minimum EBITDA and equity ratio. If the covenant conditions are not met, the creditor can demand an accelerated repayment of the existing limits and terminate the financing agreement. The Group successfully passed the covenants during the reporting period.

The Group's financial liabilities include trade payables, derivative liabilities and interest-bearing liabilities. Trade payables are due within less than a month on average. Repayment of interest-bearing loans based on the Group's loan contracts and cash flows from financial expenses related to them and cash flows from other financial liabilities are presented in Note no. 23 Financial liabilities.

**NOTE 27**

EUR 1,000	2024	2023
<b>FINANCIAL EXPENSES, NET</b>		
<b>Financial income</b>		
Interest income	1 602	823
Dividend income	360	416
Capital gains	-	-
Exchange rate gains from financial liabilities	133	-299
Other financial income	7	0
<b>Total financial income</b>	<b>2 102</b>	940
<b>Financial expenses</b>		
Interest expenses on financial loans recognized at amortized cost	-37	-75
Exchange rate losses on other financial items	-106	-124
Other financial expenses	-545	-809
<b>Total financial expenses</b>	<b>-688</b>	-1 008
<b>Financial expenses, net</b>	<b>1 415</b>	-67

**Basis of preparation**

**Interest income** is recognized as income for the financial year in which it was generated, according to the effective interest method. **Dividend income** is recognized as income for the financial year when the right to receive the dividend payment has established.

**Foreign exchange gains** arise from the valuation of the Group's foreign currency cash and cash equivalents and financial liabilities.

**Interest expenses** from financial liabilities are recognized as an expense for the financial year in which they belong to, based on the interest liability determined in the financial loan contract. **Other interest expenses** are recognized as expense in the financial year in which they were incurred.

Foreign exchange rate losses arise from the valuation of the Group's foreign currency-denominated cash and cash equivalents and financial liabilities.

**NOTE 28**

EUR 1,000	2024	2023
<b>Mortgage agreements</b>		
Business and real estate mortgages as collateral for credit and guarantee limits*	<b>178 200</b>	178 200
Total credit guarantee arrangements	<b>178 200</b>	178 200
<b>Mortgage agreements on behalf of Group companies</b>		
Financial loans	-	-
Other obligations	-	-
Other credit guarantee arrangements	-	-
<b>Commercial bank guarantees on behalf of the Parent company and subsidiaries</b>	<b>32 112</b>	12 047
<b>Other own obligations</b>		
Rental liabilities maturing within one year	<b>323</b>	274
Rental liabilities maturing in one to five years	<b>308</b>	307
<b>Total</b>	<b>631</b>	581

**Commercial bank guarantees** are given to a customer, if required, against an advance payment made by the customer

\*Related to the financing arrangement described in Note no. 22.

# PARENT COMPANY'S FINANCIAL STATEMENTS, FAS

## RAUTE CORPORATION

Financial statements January 1 – December 31, 2024

The accounting principles of the Parent company's financial statements have been presented only for those parts that differ from the IFRS accounting principles of the consolidated financial statements.

### Basis of preparation

The Parent company's financial statements have been prepared in accordance with the Finnish Accountancy Act (FAS).

Other than euro-denominated transactions have been recognized at the exchange rate effective on the transaction date. Receivables and liabilities denominated in other than euro-based currencies have been translated into euro at the average rate of the balance sheet date, except for business operations where the associated currency risk has been hedged by a currency derivative contract. These items have been measured at the value hedged through the derivative contract. Advances paid and received have been recognized in the balance sheet at the exchange rate effective on the payment date. Exchange gains and losses related to changes in the exchange rates have been recognized through profit or loss.

**PARENT COMPANY'S INCOME STATEMENT**

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
<b>NET SALES</b>	<b>170 611</b>	108 180
<b>Change in inventories of finished goods and work in progress</b>	<b>-1 384</b>	1 813
<b>Other operating income</b>	<b>405</b>	546
Materials and supplies	<b>-93 539</b>	-52 839
Personnel expenses	<b>-43 075</b>	-36 746
Depreciation and amortization	<b>-3 996</b>	-3 252
Other operating expenses	<b>-16 945</b>	-17 738
<b>Total operating expenses</b>	<b>-157 556</b>	-110 575
<b>OPERATING RESULT</b>	<b>12 076</b>	-36
<b>Financial income and expenses</b>	<b>962</b>	-1 878
<b>RESULT BEFORE APPROPRIATIONS AND TAXES</b>	<b>13 038</b>	-1 914
<b>Appropriations</b>	<b>-171</b>	59
<b>Income taxes</b>	<b>-2 387</b>	369
<b>RESULT FOR THE FINANCIAL YEAR</b>	<b>10 480</b>	-1 485

## PARENT COMPANY'S BALANCE SHEET, FAS

EUR 1,000	31.12.2024	31.12.2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	14 170	15 718
Tangible assets	7 607	7 777
Investments	14 043	15 223
<b>Total non-current assets</b>	<b>35 821</b>	38 718
<b>Current assets</b>		
Inventories	20 886	22 176
Deferred tax assets	1 733	4 089
Current receivables	22 932	23 792
Financial investments	15 752	15 168
Cash and cash equivalents	39 464	29 999
<b>Total current assets</b>	<b>100 766</b>	95 225
<b>TOTAL ASSETS</b>	<b>136 586</b>	133 942

## PARENT COMPANY'S BALANCE SHEET, FAS

EUR 1,000	31.12.2024	31.12.2023
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	8 256	8 256
Fair value reserve and other reserves	19 655	19 655
Retained earnings	11 081	13 636
Profit for the financial year	10 480	-1 485
<b>Total shareholders' equity</b>	<b>49 473</b>	40 063
<b>Appropriations</b>	<b>1 743</b>	1 571
<b>Obligatory provisions</b>	<b>1 892</b>	1 227
<b>Liabilities</b>		
Non-current liabilities	3 000	3 000
Current liabilities	80 479	88 081
<b>Total liabilities</b>	<b>83 479</b>	91 081
<b>TOTAL LIABILITIES</b>	<b>136 586</b>	133 942

**PARENT COMPANY'S CASH FLOW STATEMENT**

EUR 1,000	1.1.-31.12.2024	1.1.-31.12.2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Proceeds from sales	166 683	139 285
Proceeds from other operating income	405	489
Payments of operating expenses	-154 575	-102 833
<b>Cash flow before financial items and taxes</b>	<b>12 512</b>	36 941
Interest paid from operating activities	-295	-173
Dividends received from operating activities	860	416
Interest received from operating activities	1 295	654
Other financing items from operating activities	-922	-698
Income tax paid	-52	369
<b>Net cash flow from operating activities (A)</b>	<b>13 399</b>	37 509
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	-2 347	-3 911
Business transaction	-	-
Proceeds from sale of property, plant and equipment and intangible assets	313	57
Purchase of subsidiary shares	-	-1 361
Proceeds from sale of investments	-	-
Proceeds from sale of investments	-	-
Loans granted to Group companies	-364	-
Repayments of loan receivables from Group companies	-	-
<b>Net cash flow from investing activities (B)</b>	<b>-2 398</b>	-5 215
<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	-350	-1 631
Purchase of own shares*	-	-950
Proceeds from current borrowings	-	-
Proceeds from current borrowings	-	-6 729
Dividends paid	-603	-
<b>Net cash flow from financing activities (C)</b>	<b>-953</b>	7 634
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>10 048</b>	39 928
increase (+)/decrease (-)		
<b>Cash and cash equivalents at the beginning of the year</b>	<b>45 167</b>	5 239
Net change in cash and cash equivalents	9 775	39 928
Cash generated by the merger	273	0
Effect of exchange rate changes on cash	0	-
<b>Cash and cash equivalents at the end of the year</b>	<b>55 215</b>	45 167

\*Own shares purchased through EAI Raute Holding Oy are presented in here

## NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

## NOTE 1

EUR 1,000	2024	%	2023	%
<b>NET SALES</b>				
<b>Net sales by market area</b>				
EMEA (Europe and Africa)	113 695	67	55 854	51
LAM (South America)	36 688	22	20 234	19
NA (North America)	16 171	9	14 975	14
APAC (Asia-Pacific)	3 831	2	2 963	3
CIS (Russia)	228	0	14 154	13
<b>TOTAL</b>	<b>170 611</b>	<b>100</b>	108 180	100

Finland accounted for 16 percent (11%) of net sales

**Basis of preparation**

The revenue recognition related to net sales corresponds to the accounting principles of the Group consolidated financial statements.

EUR 1,000	2024	2023
<b>Specification of net sales</b>		
Net sales by percentage of completion	140 473	86 446
Other net sales	30 138	21 734
<b>TOTAL</b>	<b>170 611</b>	108 180
Amount recognised as revenue for long-term projects recognised as income according to completion rate but not delivered	167 838	107 861
Amount of performance obligations to be satisfied over time not yet entered as income (order book)	166 615	232 603
<b>Balance sheet items of projects not yet delivered</b>		
Projects where value according to the degree of fulfillment exceed the invoiced advances		
– aggregate amount of costs incurred and recognized profits less recognized losses	111 329	77 150
– advance payments received	-101 061	-66 896
– loan loss provision	-931	
<b>Current customer contract assets</b>	<b>9 337</b>	10 255
Projects where the invoiced advances exceed the value according to the degree of completion		
– aggregate amount of costs incurred and recognized profits less recognized losses	-81 708	-54 363
– advance payments received	125 780	79 842
<b>Current customer contract liabilities</b>	<b>44 072</b>	25 479
<b>Advance payments included in current liabilities in the balance sheet</b>		
Current customer contract liabilities	44 072	25 479
Other advance payments received	1 188	270
<b>Total</b>	<b>45 260</b>	25 749

**NOTE 2**
**CURRENT RECEIVABLES**

EUR 1,000	2024	2023
Current receivables from Group companies		
Loan receivables	1 307	950
Accounts receivables	1 300	4 294
Other receivables	8	0
Accrued income and prepaid expenses	2 332	381
<b>Total from Group companies</b>	<b>4 946</b>	5 625

The classification of trade receivables and accrued income for the comparison year has been changed to correspond to the classification for 2024.

Current receivables from others		
Accounts receivables	5 559	4 036
Accrued income and prepaid expenses	11 522	12 618
Other receivables	905	1 513
<b>Total from others</b>	<b>17 986</b>	18 168
<b>TOTAL</b>	<b>22 932</b>	23 792

Substantial items included in accrued income		
Current customer contract assets according to the percentage of completion method	9 337	10 255
Income tax receivable	41	0
Other accrued income	2 144	2 363
<b>TOTAL</b>	<b>11 522</b>	12 618

**Basis of preparation**

**Receivables** in the balance sheet include accounts receivables and other receivables. Receivables have been valued at original carrying amount or at the lower disposal price. Accounts receivables in the balance sheet do not include significant credit risk clusters at the balance sheet date

**NOTE 3**
**MATERIALS AND SERVICES**

EUR 1,000	2024	2023
Purchases during the financial year	-83 061	-49 833
Change in inventories, materials and supplies, other inventories	-726	6 436
External services	-9 752	-9 442
<b>TOTAL</b>	<b>-93 539</b>	-52 839

**NOTE 4**
**INVENTORIES**

EUR 1,000	2024	2023
Materials and supplies	13 533	14 150
Work in progress	1 764	3 148
Finished products	0	0
Advance payments received for long-term projects	5 589	4 878
<b>TOTAL</b>	<b>20 886</b>	22 176

During the financial year, EUR 526 thousand (EUR 133 thousand) were recognized in expenses, reducing the carrying amount of inventories to correspond to the disposal price.

The comparison figure for 2023 has been adjusted regarding the classification division between Finished products and Materials and supplies. EUR 2,751 thousands has been transferred from Finished products to Materials and supplies.

EUR 1,000	Materials and supplies	Work in progress	Finished products	Advance payments received for long-term projects	Total
Confirmed financial statements on Dec. 31, 2023	11 399	3 148	2 751	4 878	22 176
Adjustment	2 751	0	-2 751	0	0
Adjusted figures as of Dec. 31, 2023	14 150	3 148	0	4 878	22 176

**NOTE 5**
**OBLIGATORY PROVISIONS**

EUR 1,000	2024	2023
<b>Warranty provisions</b>		
<b>Book value at Jan. 1</b>	<b>1 217</b>	834
Additions	1 827	1 654
Decrease	-1 162	-1 271
<b>Book value at Dec. 31</b>	<b>1 882</b>	1 217
<b>Other obligatory provisions</b>		
<b>Book value at Jan. 1</b>	<b>9</b>	195
Additions	7	9
Decrease	-6	-195
<b>Book value at Dec. 31</b>	<b>10</b>	9
<b>TOTAL</b>	<b>1 892</b>	1 227

**NOTE 6**
**PERSONNEL EXPENSES**

EUR 1,000	2024	2023
Wages and salaries	-36 947	-31 078
Pension costs	-5 175	-4 644
Fixed share-based employee payments	-	-
Other personnel expenses	-953	-1 024
<b>TOTAL</b>	<b>-43 075</b>	<b>-36 746</b>

**PERSONNEL**
**Employed at Dec. 31, persons**

Workers	168	139
Office staff	408	392
<b>TOTAL</b>	<b>576</b>	<b>531</b>
Personnel working abroad at Dec. 31	24	4

**Effective, on average, persons**

Workers	164	138
Office staff	403	374
<b>TOTAL</b>	<b>567</b>	<b>513</b>
Personnel working abroad, effective, on average	22	3

**On average, persons**

Workers	165	139
Office staff	405	378
<b>TOTAL</b>	<b>570</b>	<b>518</b>
Personnel working abroad, on average	22	3

**Basis of preparation**

**Statutory pension coverage** of Raute Corporation has been arranged through an external pension insurance company. Pension expenses have been recognized as expenses according to accrual over time.

**NOTE 7**
**OTHER OPERATING INCOME**

EUR 1,000	2024	2023
Subsidies received		
Other operating income from Group companies	323	452
Capital gain on non-current assets	43	57
Other operating income	39	37
Insurance compensations	-	-
<b>TOTAL</b>	<b>405</b>	<b>546</b>

**Basis of preparation**

Revenue not included in net sales has been recognized in the **other operating income**. Lease income included in the other operating income has been recognized as income on a straight-line basis for the lease term.

**NOTE 8**
**OTHER OPERATING EXPENSES**

EUR 1,000	2024	2024
Indirect production costs	-3 066	-2 026
Sales and marketing costs	-2 363	-2 492
Administration costs	-7 057	-7 025
Other costs	-4 459	-6 195
<b>TOTAL</b>	<b>-16 945</b>	<b>-17 738</b>

**Basis of preparation**

Research and development costs have been recorded as operating costs in Income Statement in the financial year incurred. During the financial year, research and development costs have been recorded 4 984 thousand euros (4,824 thousand euros).

**OTHER OPERATING EXPENSES**

EUR 1,000	2024	2023
<b>Auditor's remunerations</b>		
<b>Authorized Public Accountants Pricewaterhouse-Coopers Oy</b>		
Audit expenses, statutory	-137	-227
Audit expenses, other assignments according to the Audit Act	0	-3
Audit expenses, other services	-53	-324
Audit expenses, tax services		
<b>TOTAL</b>	<b>-191</b>	<b>-555</b>

The Parent company's **auditor** during the financial year was Authorized Public Accountants PricewaterhouseCoopers Oy. Statutory audit fee includes audit fees for current financial year auditing. Other services and tax services include audit fees for other services recognized on accrual basis during the financial year. The fees do not include travel or costs and fees payable to the authorities arising from auditing or other assignments.

**OTHER LEASES**

EUR 1,000	2024	2023
Raute Corporation as a lessee		
Minimum rents paid on the basis of other non-cancellable leases:		
- Within one year	700	597
- After a period of more than one year and less than five years	966	733
<b>TOTAL</b>	<b>1 666</b>	<b>1 330</b>

**NOTE 9**
**INCOME TAXES**

EUR 1,000	2024	2023
Income taxes from operations	-22	-
Current tax of previous financial years	-9	-17
Deferred tax assets	-2 356	386
<b>TOTAL</b>	<b>-2 387</b>	<b>369</b>

**Basis of preparation**

**Deferred taxes** are recorded on temporary differences between the accounting value and the tax value. The company's balance sheet includes a total of 1,733 deferred tax receivables (EUR 4,089 thousand) recorded from tax losses. The deferred tax receivable is recorded in the balance sheet in the amount of the estimated probable receivable.

**NOTE 10**
**INTANGIBLE ASSETS**

EUR 1,000	Development expenses	Unfinished development expenses	Intangible rights	Goodwill	Other intangible assets	Advance payments	Total
<b>Acquisition cost at Jan. 1, 2024</b>	<b>0</b>	<b>149</b>	<b>4 296</b>	<b>662</b>	<b>21 770</b>	<b>1 406</b>	<b>28 282</b>
Additions		255	94		651	138	1 139
Disposals					-8		-8
Reclassification between items					1 406	-1 406	0
<b>Acquisition cost at Dec. 31, 2024</b>	<b>0</b>	<b>405</b>	<b>4 390</b>	<b>662</b>	<b>23 819</b>	<b>138</b>	<b>29 413</b>
<b>Accumulated amortization and depreciation at Jan. 1, 2024</b>	<b>0</b>	<b>0</b>	<b>-3 375</b>	<b>-443</b>	<b>-8 746</b>	<b>0</b>	<b>-12 564</b>
Write-down							0
Depreciation for the financial year			-232	-66	-2 387		-2 685
Depreciation of disposals and transfers					7		7
Reclassification between items							0
<b>Accumulated amortization and depreciation at Dec. 31, 2024</b>	<b>0</b>	<b>0</b>	<b>-3 607</b>	<b>-509</b>	<b>-11 126</b>	<b>0</b>	<b>-15 242</b>
<b>Book value at Dec. 31, 2024</b>	<b>0</b>	<b>405</b>	<b>783</b>	<b>151</b>	<b>12 694</b>	<b>138</b>	<b>14 171</b>
Book value at Dec. 31, 2023	0	149	921	218	13 024	1 406	15 718

**Basis of preparation**
**Research and development expenses**

Research expenses are recorded as expenses on an accrual basis, i.e. at the time the expenses are incurred.

The company's development expenses have been capitalized in accordance with KPL § 5:8. The company capitalizes development costs to intangible assets on the balance sheet if they are expected to generate income in several financial years. The company has capitalized the development costs that have been incurred immediately by making the commodity ready for its intended use. The company capitalizes an intangible asset as a development expense when the completion of the

asset is technically feasible in such a way that the asset is available or can be sold, the company has the ability, intention and resources to complete the asset and use it or sell it, according to the company's assessment, the asset has a probable economic benefit that can be demonstrated, and the company is able to reliably determine the expenses resulting from the intangible asset during its development phase.

There are uncertainties associated with the values related to the capitalized development expenses in the balance sheet, and it is possible that the expected return from the development projects will change as circumstances change. The

value of capitalized development costs on the balance sheet may decrease if the expected financial benefit changes. If the expected yield of the commodity recorded in the balance sheet falls below the balance sheet value, i.e. the sum of the capitalized unremoved development costs, the balance sheet value of the development expenditure is adjusted with a write-down to match the expected yield.

The figures for the comparison year have been changed by transferring unfinished development expenditure to its own group from other advance payments.

**NOTE 11**
**TANGIBLE ASSETS**

EUR 1,000	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and assets in progress	Total
<b>Acquisition cost at Jan. 1, 2024</b>	<b>218</b>	<b>11 557</b>	<b>34 458</b>	<b>860</b>	<b>900</b>	<b>47 993</b>
Additions		199	726		284	1 209
Disposals		-18	-63	-14	-45	-140
Reclassification between items			946		-855	92
<b>Acquisition cost at Dec. 31, 2024</b>	<b>218</b>	<b>11 738</b>	<b>36 068</b>	<b>846</b>	<b>284</b>	<b>49 153</b>
<b>Accumulated depreciation and amortization at Jan. 1, 2024</b>	<b>-</b>	<b>-9 254</b>	<b>-30 409</b>	<b>-552</b>	<b>-</b>	<b>-41 545</b>
Depreciation and amortization for the financial year		-238	-974	-49		-1 261
Depreciation of disposals and transfers		8	-76			-69
Reclassification between items						0
<b>Accumulated depreciation and amortization at Dec. 31, 2024</b>	<b>0</b>	<b>-9 485</b>	<b>-31 459</b>	<b>-601</b>	<b>0</b>	<b>-40 215</b>
<b>Book value at Dec. 31, 2024</b>	<b>218</b>	<b>2 253</b>	<b>4 608</b>	<b>245</b>	<b>284</b>	<b>7 607</b>
Book value at Dec. 31, 2023	218	2 302	4 050	308	900	7 777

**NOTE 12**
**DEPRECIATION AND AMORTIZATION**

EUR 1,000	2024	2023
Depreciation and amortization of intangible assets	<b>-2 685</b>	-1 866
Depreciation and amortization of tangible assets	<b>-1 311</b>	-1 386
<b>TOTAL</b>	<b>-3 996</b>	-3 252

Depreciations of tangible assets and amortizations of intangible assets according to a plan have been recorded with the straight-line method over the expected economic lives of the assets as follows:

Intangible rights	10 years
Goodwill	10 years
Other intangible assets	3-10 years
Buildings and structure	25-40 years
Machinery and equipment	4-12 years
Other tangible assets	3-10 years
Development expenses	3-10 years

**Depreciations and amortizations** have been recorded from the beginning of the month in which the asset has been taken into use. Residual expenditures on decommissioning and disposal of tangible assets have been presented under the item Depreciation and amortization in the income statement. **Gains and losses on disposal of tangible assets** have been presented in other operating income or expenses.

**NOTE 13**
**NON-CURRENT INVESTMENTS**

EUR 1,000	Shares, Group companies	Shares, Others	Total
<b>Acquisition cost at Jan. 1, 2024</b>	<b>20 155</b>	<b>1489</b>	<b>21 644</b>
Additions			0
Disposals	-928	-252	-1 180
<b>Acquisition cost at Dec. 31, 2024</b>	<b>19 227</b>	<b>1 237</b>	<b>20 464</b>
<b>Accumulated impairments at Jan. 1, 2024</b>	<b>-5 297</b>	<b>-1 125</b>	<b>-6 422</b>
Impairments			0
<b>Accumulated impairments at Dec. 31, 2024</b>	<b>-5 297</b>	<b>-1 125</b>	<b>-6 422</b>
<b>Book value at Dec. 31, 2024</b>	<b>13 930</b>	<b>112</b>	<b>14 043</b>
Book value at Dec. 31, 2023	14 858	365	15 223

**SHARES OWNED BY THE COMPANY**

	Holding and voting rights, %	Book value, EUR 1,000
<b>Subsidiaries</b>		
Raute Canada Ltd., Delta, B.C., Canada	100	5 751
Raute Inc., Delaware, USA	100	2 899
RWS-Engineering Oy, Lahti, Finland	100	203
Raute WPM Oy, Lahti, Finland	100	9
Raute Group Asia Pte Ltd., Singapore	100	0
Raute (Changzhou) Machinery Co. Ltd, Changzhou, China	100	4 390
Raute Chile Ltda., Concepción, Chile	50	15
Raute Service Indonesia	100	664
<b>TOTAL</b>		<b>13 930</b>
<b>Other shares</b>		
Esys Oy	600	42
DIMECC OY	50	50
Other		20
<b>TOTAL</b>		<b>112</b>

**NOTE 14**
**SHAREHOLDERS' EQUITY**

EUR 1,000	2024	2023
<b>Share capital at Jan. 1</b>	<b>8 256</b>	8 256
<b>Share capital at Dec. 31</b>	<b>8 256</b>	8 256
<b>Invested non-restricted equity reserve at Jan. 1</b>	<b>19 655</b>	5 711
Directed share issue and rights issue	<b>0</b>	13 944
<b>Invested non-restricted equity reserve at Dec. 31</b>	<b>19 655</b>	19 655
<b>Retained earnings at Jan. 1</b>	<b>13 636</b>	22 031
Changes during the financial year		
- Profit from the previous year	<b>-1 485</b>	-8 414
- Dividends	<b>-603</b>	-
- Derivatives recorded in equity during the financial year	<b>-467</b>	19
<b>Retained earnings at Dec. 31</b>	<b>11 081</b>	13 636
<b>Result for the financial year</b>	<b>10 480</b>	-1 485
<b>SHAREHOLDERS' EQUITY AT DEC. 31</b>	<b>49 472</b>	40 062
<b>Distributable funds</b>		
Retained earnings at Dec. 31	<b>11 081</b>	13 636
Result for the financial year	<b>10 480</b>	-1 485
Invested non-restricted equity reserve	<b>19 655</b>	19 655
<b>Items deductible from distributable funds</b>		
Development costs	<b>-405</b>	-149
<b>Distributable funds at Dec. 31*</b>	<b>40 811</b>	31 657
<b>Shares of the company</b>		
Combined series shares (1 vote/share), 1,000 pcspl	<b>6 123</b>	6 123
<b>Total shares, 1,000 pcs</b>	<b>6 123</b>	6 123
Book counter value of the share	<b>1.35</b>	1.35
Total book counter value, 1 000 pcs	<b>8 256</b>	8 256

\* Distributable equity has been updated for the base year by correcting the amount of Development costs.

**NOTE 15**
**LIABILITIES**

EUR 1,000	2024	2023
<b>Non-current liabilities</b>		
Convertible junior loan*	<b>3 000</b>	3 000
<b>Current liabilities</b>		
Current liabilities to Group companies		
- Advance payments received	<b>22 618</b>	28 040
- Accounts payable	<b>1 144</b>	2 292
- Accrued expenses and prepaid income	<b>1 325</b>	-117
- Other current liabilities	<b>6 909</b>	10 868
Total to Group companies	<b>31 996</b>	41 082
The classification of trade payables and accrued income for the comparison year has been changed to correspond to the classification in 2024.		
Current liabilities to others		
- Advance payments received	<b>22 642</b>	25 749
- Accounts payable	<b>11 413</b>	11 988
- Accrued expenses and prepaid income	<b>11 371</b>	7 792
- Other liabilities	<b>3 057</b>	1 471
Total to others	<b>48 483</b>	46 999
<b>TOTAL</b>	<b>80 479</b>	88 081
Interest-bearing liabilities		
- Current other liabilities	-	-
<b>TOTAL</b>	<b>-</b>	-
<b>Substantial items included in accrued expenses and prepaid income</b>		
- Accrued personnel expenses	<b>9 675</b>	7 229
- Income tax liability		-
- Financial accruals	<b>115</b>	188
- Other accrued expenses	<b>1 581</b>	375
<b>TOTAL</b>	<b>11 371</b>	7 792

\* The convertible junior loan is classified as long-term debt in the parent company (FAS), and as equity in the group (IFRS). Finnish accounting regulations do not contain similar criteria for classification as equity as IFRS.

**NOTE 16**
**FINANCIAL INCOME AND EXPENSES**

EUR 1,000	2024	2023
<b>Dividend income</b>		
From others	860	416
<b>Total</b>	<b>860</b>	416
<b>Other interest and financial income</b>		
From Group companies	8	-
From others	1 336	706
<b>Total</b>	<b>1 344</b>	706
<b>Total financial income</b>	<b>2 204</b>	1 122
<b>Interest and other financial expenses</b>		
To Group companies	-6	-174
To others	-1 236	-2 826
<b>Total</b>	<b>-1 242</b>	-3 000
<b>Total financial expenses</b>	<b>-1 242</b>	-3 000
<b>Financial income and expenses, net</b>	<b>962</b>	-1 878
Exchange rate losses (-) included in total financial income and expenses	-147	-24

**NOTE 17**
**DERIVATIVES**

EUR 1,000	2024	2023
<b>Nominal values of forward contracts in foreign currency</b>		
Hedge accounting		
- Related to the hedging of net sales	8 130	18 993
Derivatives which do not meet the criteria of hedge accounting		
- Related to financing	-	-2 715
- Related to the hedging of net sales	-	-
<b>Fair values of forward contracts in foreign currency</b>		
Hedge accounting		
- Related to the hedging of net sales	-279	95
Derivatives which do not meet the criteria of hedge accounting		
- Related to financing	-	-24
- Related to the hedging of net sales	-	-

**Basis of preparation**

The company's **derivatives** include foreign currency derivative contracts. Currency derivatives are used to hedge against currency risks related to currency cash flow.

**NOTE 18**
**PLEGGED ASSETS AND CONTINGENT LIABILITIES**

EUR 1,000	2024	2023
<b>Guarantees given on your own behalf</b>		
Business mortgages given as security	178 200	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>	<b>32 112</b>	12 047

"Letters of Guarantee" engagements have been issued on behalf of certain subsidiaries. No pledges or other contingent liabilities have been given on behalf of the management or shareholders. No loans have been granted to the management and shareholders.

**FINANCIAL STATEMENTS DECEMBER 31, 2024**

**Common accounting document types used**

Financial statements  
 General journal and general ledger  
 Accounts payable and accounts receivable

Description of voucher group	<b>Voucher group</b>
Bank vouchers	10
Purchase invoices	81
Sales invoices	30, 31, 34, 35 and 36
Transactions of purchase and sales invoices	12 and 80
Fixed asset register	
Salary vouchers	55, 56, 64, 65, 66, 67 and 68
Memo vouchers	11, 15, 16, 19, 20, 21, 22, 23, 25, 48, 49, 50, 51, 52, 53 and 54

**Documents' means of storing**

Separately bound, in paper  
 In electronic format  
 In electronic format

**Vouchers' means of storing**

In electronic format  
 In electronic format  
 In electronic format  
 In electronic format  
 In electronic format  
 In electronic format

**BOARD OF DIRECTORS' PROPOSAL FOR THE PROFIT DISTRIBUTION**

The distributable funds of the parent company Raute Corporation on December 31, 2024 are EUR 40.8 million. (2023: 31.7).

The Board of Directors proposes to the Annual General Meeting to be held on 15 April 2025 that a dividend of EUR 0.55 be paid from distributable funds for each outstanding share, the number of which is 6,026,668 on the date of publication of the Financial Statements Bulletin:

According to the proposal, a dividend of EUR 3.3 million would be paid. (2023: 0.6). After this, the parent company would be left with EUR 37.5 million in distributable funds. (2023: 31.1).

There have been no material changes in the company's financial position since the end of the financial year. The company's liquidity is good, and the proposed distribution of profit will not jeopardise the company's solvency.

The financial statements, prepared in accordance with the applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position and profit or loss of both Raute Corporation and the companies included in its consolidated financial statements. The Report of the Board of Directors contains a true and true description of the business development and result of Raute Corporation and the companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other state of the company. The sustainability report included in the Report of the Board of Directors has been prepared in accordance with the reporting standards referred to in Chapter 7 of the Accounting Act and Article 8 of the Taxonomy Regulation.

Signatures of the financial statements and the report of the Board of Directors

Lahti, March 17, 2025

Laura Raitio  
Chair of the Board

Joni Bask

Ari Harmaala

Mikko Kettunen

Julius Manni

Ari Piik

Jenni Virnes

Mika Saariaho  
President and CEO

**Auditor's note**

A report on the audit performed has been issued today.

Helsinki, March 17, 2025

PricewaterhouseCoopers Oy  
Authorized Public Accountant

Mikko Nieminen  
Authorized Public Accountant

To the Annual General Meeting of Raute Oyj

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

**Opinion**

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

**What we have audited**

We have audited the financial statements of Raute Oyj (business identity code 0149072-6) for the year ended 31 December 2024. The financial statements comprise:

- the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, cash flow statement and notes.

**Basis for Opinion**

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note Other operating expenses to the Financial Statements.

**Our Audit Approach**

**Overview**



- Overall group materiality: EUR 2,0 million, which represents approximately 1% of net sales
- We have audited parent company and its subsidiaries in Canada and USA. In addition, we have performed group level analytical procedures over the subsidiary in China
- Revenue recognition of project deliveries and modernization projects

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

**Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

**Overall group materiality** 2,0 M€ (previous year 1,5 M€)

**How we determined it** Approximately 1% of net sales

**Rationale for the materiality benchmark applied** We chose net sales as the benchmark because, in our view, the performance of the Group is most commonly measured by using this criteria, and it is a generally accepted benchmark. We chose net sales as the benchmark as we considered that this provides us with a consistent year-on-year basis for determining materiality.

**How we tailored our group audit scope**

The group audit scope was tailored to take into account the structure of the Group and the size, complexity and risk of individual subsidiaries.

Using this criteria we selected companies into our audit scope and at the same time ensured that we get sufficient coverage to our audit, in order to issue an audit opinion for the Group.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**Key audit matter in the audit of the group and parent company**      **How our audit addressed the key audit matter**

**Revenue recognition of project deliveries and modernization projects**

*Refer to accounting principles of the consolidated financial statements and notes net sales and performance obligations to be satisfied over time in the consolidated financial statements*

The main part of net sales is comprised of projects deliveries and modernizations projects, which are treated as performance obligations to be satisfied over time. The group applies the percentage of completion method as a revenue recognition principle in performance obligations over time.

Percentage of completion has been measured on a cost basis as the relation of actual project costs to the estimated total project costs.

The revenue recognition of projects deliveries and modernization projects includes significant management judgments, which have a direct impact on the revenue and profit of the financial year. The most important judgment relates to the estimated total revenues as well as estimated material, subcontracting and labour costs.

Our audit procedures focused on the revenue recognition of projects deliveries and modernization projects, as they include management judgment. The revenue recognition of projects deliveries and modernization projects includes management judgment in a form of estimates affecting both on the amount of revenue being recognized and profitability of the projects.

This matter is a significant risk of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014.

Our revenue testing included both testing of the company's controls, as well as substantive audit procedures targeted at selected project deliveries and modernization projects. Our substantive procedures included the following but was not limited to:

- We have verified, by sampling new contracts signed during the accounting period, that the revenue recognition method applied was appropriate based on the terms of the arrangement.
- We have tested by sample, that estimated revenues are based on signed contracts and that new projects have been processed in accordance with Raute's decision making policy.
- We have assessed reliability of the expected expenses for projects by comparing expenses of unfinished projects in the previous year-end to the final outcome. We have had discussions with relevant personnel about uncertainty relating to the estimated total expenses of the projects. We have read minutes from monthly project meetings into which the changes in expected expenses are documented by project.
- We have tested the arithmetic of the spreadsheets with which the percentage of completion and revenue to be recognized for projects is calculated.
- We also considered the appropriateness of the related disclosures provided in the notes to the consolidated financial statements.

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### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

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### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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## OTHER REPORTING REQUIREMENTS

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### Appointment

We were first appointed as auditors by the annual general meeting on 31 March 2010. Our appointment represents a total period of uninterrupted engagement of 15 years.

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### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion,

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 17 March 2025

### **PricewaterhouseCoopers Oy**

Authorised Public Accountants

Mikko Nieminen

Authorised Public Accountant (KHT)

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## ASSURANCE REPORT ON THE SUSTAINABILITY REPORT (TRANSLATION OF THE FINNISH ORIGINAL)

To the Annual General Meeting of Raute Oyj

We have performed a limited assurance engagement on the group sustainability report of Raute Oyj (business identity code 0149072-6) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2024.

### Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Raute Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability report in accordance with Chapter 7, Section 22, of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of the ESEF regulation or other European Union legislation.

### Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Authorised Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Raute Oyj are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

### Inherent Limitations in the Preparation of a Sustainability Report

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of assumptions that have been disclosed in the sustainability report about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

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**Responsibilities of the Authorised Group Sustainability Auditor**

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
  - Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
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**Description of the Procedures That Have Been Performed**

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for example the following:

- We interviewed the company's management and the individuals responsible for collecting and reporting the information contained in the group sustainability report at the at different levels and business areas of the organization to gain an understanding of the sustainability reporting process and the related internal controls and information systems.
- We familiarised ourselves with the background documentation and records prepared by the company where applicable, and assessed whether they support the information contained in the group sustainability report.
- We assessed the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided about the assessment process complies with the ESRS standards.
- We assessed whether the sustainability information contained in the group sustainability report complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the company has identified the group's taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided with the regulations.

Helsinki, 17 March 2025

**PricewaterhouseCoopers Oy**

Authorised Sustainability Auditors

Mikko Nieminen

Authorised Sustainability Auditor

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**INDEPENDENT AUDITOR'S REASONABLE ASSURANCE REPORT ON RAUTE OYJ  
ESEF FINANCIAL STATEMENTS (TRANSLATION OF THE FINNISH ORIGINAL)**


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**To the Management of Raute Oyj**

We have been engaged by the Management of Raute Oyj (business identity code 0149072-6) (hereinafter also "the Company") to perform a reasonable assurance engagement on the Company's consolidated IFRS financial statements for the financial year 1 January - 31 December 2024 in European Single Electronic Format ("ESEF financial statements").

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**Management's Responsibility for the ESEF Financial Statements**

The Management of Raute Oyj is responsible for preparing the ESEF financial statements so that they comply with the requirements as specified in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF requirements"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of ESEF financial statements that are free from material noncompliance with the ESEF requirements, whether due to fraud or error.

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**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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**Our Responsibility**

Our responsibility is to express an opinion on the ESEF financial statements based on the procedures we have performed and the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the ESEF financial statements are free from material noncompliance with the ESEF requirements.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the ESEF financial statements compliance with the ESEF requirements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material noncompliance of the ESEF financial statements with the ESEF requirements, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Company's preparation of the ESEF financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, Raute Oyj ESEF financial statements for the financial year ended 31 December 2024 comply, in all material respects, with the minimum requirements as set out in the ESEF requirements.

Our reasonable assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except for Raute Oyj for our work, for this report, or for the opinion that we have formed.

Helsinki, 17 March 2025

**PricewaterhouseCoopers Oy**

Authorised Public Accountants

Mikko Nieminen

Authorised Public Accountant (KHT)

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# DEVELOPMENT OF GROUP RESULT



The presented interim figures have not been audited.

EUR 1,000	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
<b>NET SALES</b>	<b>56 476</b>	<b>46 373</b>	<b>57 051</b>	<b>44 684</b>	45 223	34 041	29 338	36 815
<b>Change in inventories of finished goods and work in progress</b>	<b>-2 053</b>	<b>-1 173</b>	<b>1 270</b>	<b>478</b>	1 830	-1 631	307	-984
<b>Other operating income</b>	<b>67</b>	<b>36</b>	<b>10</b>	<b>11</b>	363	46	3	229
Materials and services	-25 689	-19 592	-32 887	-22 963	-22 288	-13 888	-12 148	-15 371
Employee benefits expense	-16 617	-13 768	-15 008	-14 122	-15 861	-10 829	-12 047	-13 509
Depreciation and amortization	-1 332	-1 370	-1 302	-1 401	-1 329	-1 334	-1 114	-1 140
Other operating expenses	-7 360	-5 694	-5 184	-5 221	-7 282	-5 015	-5 363	-5 200
<b>Total operating expenses</b>	<b>-50 997</b>	<b>-40 424</b>	<b>-54 381</b>	<b>-43 707</b>	-46 759	-31 066	-30 672	-35 220
<b>OPERATING RESULT</b>	<b>3 493</b>	<b>4 812</b>	<b>3 949</b>	<b>1 466</b>	656	1 390	-1 024	839
<b>% of net sales</b>	<b>6.2</b>	<b>10.4</b>	<b>6.9</b>	<b>3.3</b>	1.5	4.1	-3.5	2.3
Financial income	436	461	768	437	-108	668	36	344
Financial expenses	-168	-90	-143	-287	-18	-382	-197	-411
<b>Financial expenses, net</b>	<b>268</b>	<b>371</b>	<b>625</b>	<b>151</b>	-125	286	-161	-67
<b>RESULT BEFORE TAX</b>	<b>3 761</b>	<b>5 183</b>	<b>4 574</b>	<b>1 617</b>	531	1 676	-1 185	773
<b>% of net sales</b>	<b>6.7</b>	<b>11.2</b>	<b>8.0</b>	<b>3.6</b>	1.2	4.9	-4.0	2.1
Income taxes	-809	-718	-1 147	-351	133	-639	387	-326
<b>TOTAL RESULT FOR THE PERIOD</b>	<b>2 952</b>	<b>4 465</b>	<b>3 427</b>	<b>1 266</b>	666	1 037	-799	446
<b>% of net sales</b>	<b>5.2</b>	<b>9.6</b>	<b>6.0</b>	<b>2.8</b>	1.5	3.0	-2.7	1.2
<b>Attributable to</b>								
Equity holders of the Parent company	2 952	4 465	3 427	1 266	666	1 037	-799	446
Undiluted earnings per share, euros	0.48	0.73	0.56	0.20	0.09	0.16	-0.15	0.10
Diluted earnings per share, euros	0.46	0.71	0.54	0.20	0.09	0.16	-0.15	0.10
Adjusted average number of shares, 1 000 pcs	6 123	6 123	6 123	6 123	6 123	6 123	5 375	4 498
Adjusted average number of shares, diluted, 1 000 pcs	6 350	6 331	6 325	6 204	6 172	6 123	5 375	4 498
<b>FINANCIAL DEVELOPMENT QUARTERLY</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q4 2023</b>	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>
Order intake during the period, EUR million	50	15	20	36	118	19	112	67
Order book at the end of the period, EUR million	184	188*	223	259	266	192	202	121

\*Q3/2024 order book restated by EUR 2m from earlier reported

EUR 1,000	2024	2023	2022	2021	2020
Net sales	<b>204 583</b>	145 416	158 324	142 212	114 994
Change in net sales, %	<b>40.7</b>	-8.2	11.3	23.7	-24.0
Exported portion of net sales	<b>172 407</b>	132 293	141 830	130 548	108 267
% of net sales	<b>84.3</b>	91.0	89.6	91.8	94.2
EBITDA**	<b>19 124</b>	6 781	-9 689	2 071	n/a
Comparable EBITDA)**	<b>19 785</b>	9 273	-2 258	3 479	n/a
% of net sales**	<b>9.7</b>	6.4	-1.4	2.4	n/a
Operating profit	<b>13 720</b>	1 863	-14 642	-2 244	-2 770
% of net sales	<b>6.7</b>	1.3	-9.2	-1.6	-2.4
Result before tax	<b>15 134</b>	1 795	-13 814	-1 772	-2 455
% of net sales	<b>7.4</b>	1.2	-8.7	-1.2	-2.1
Result for the financial year	<b>12 111</b>	1 350	-11 513	-1 775	-1 819
% of net sales	<b>5.9</b>	0.9	-7.3	-1.2	-1.6
Return on investment (ROI), %	<b>30.9</b>	6.6	-29.9	-2.7	-2.7
Return on equity (ROE), %	<b>27.5</b>	4.4	-40.4	-4.8	-4.1
Balance sheet total	<b>136 001</b>	135 405	92 053	110 676	85 428
Interest-bearing net liabilities	<b>-51 887</b>	-39 419	6 721	-12 244	-3 863
% of net sales	<b>-25.4</b>	-27.1	4.2	-8.6	-3.4
Non-interest-bearing liabilities	<b>78 025</b>	88 001	56 735	64 065	37 740
Equity ratio, %	<b>55.2</b>	50.2	36.6	44.3	58.8
Gearing, %	<b>-104.4</b>	-102.7	29.4	-35.9	-9.8
Gross capital expenditure	<b>2 799</b>	4 486	6 572	6 297	4 258
% of net sales	<b>1.4</b>	3.1	4.2	4.4	3.7
Research and development costs	<b>5 341</b>	5 215	6 295	4 919	4 260
% of net sales	<b>2.6</b>	3.6	4.0	3.5	3.7
Order book, EUR million	<b>184</b>	266	84	158	94
Order intake, EUR million	<b>121</b>	315	138	203	119
Personnel at Dec. 31	<b>783</b>	754	778	802	751
Personnel, effective, on average	<b>740</b>	749	774	780	743
Personnel, on average	<b>782</b>	754	829	788	760
Dividend	<b>3 315*</b>	612	-	-	3 411

Raute Group uses key ratios and alternative performance measures (APM's) to describe the income, operational financial result, capital structure, return on equity, financial position and cash flows. Raute Group has reported two new alternative performance measures since 2023: EBITDA and Comparable EBITDA.

The purpose of the key ratios and APMs is to give the readers an overview of the Group's financial position and help in analyzing the financial statements and evaluating the development of the operations.

The key ratios have been derived from the consolidated financial statements or are based on items presented in the financial statements which have been prepared in accordance with the accounting standards. If there is a change in the accounting principles of the Group during a certain financial year, the figures of the comparison years are restated to correspond to those accounting principles in force for the current year.

The calculation of the key figures and the alternative performance measures has been presented on page 150 and the calculation of share-related data in connection with the share-related data, on page 152.

\* 2024: The Board of Directors' proposal to the Annual General Meeting 2025 for the profit distribution of 2024.

\*\* The key figures calculated only starting from 2021.

<b>Change in net sales, %</b>	$\frac{\text{Net sales of the financial year} \text{ ./net sales of the previous financial year}}{\text{Net sales}} \times 100$	<b>Interest-bearing net liabilities % of net sales</b>	$\frac{\text{Interest-bearing liabilities} \text{ ./ (cash and cash equivalents + financial assets at fair value through profit or loss)}}{\text{Net sales}} \times 100$
<b>Exported portion of net sales</b>	Exported portion of materials and services sold from Finland	<b>Non-interest-bearing liabilities</b>	Provisions + current advance payments received + income tax liability + trade payables and other liabilities
<b>Exported portion of net sales, %</b>	$\frac{\text{Exported portion}}{\text{Net sales of the financial year}} \times 100$	<b>Equity ratio, %</b>	$\frac{\text{Total equity}}{\text{Balance sheet total} \text{ ./ advance payments received}} \times 100$
<b>EBITDA</b>	EBITDA is the net amount that is formed when other revenue from business operations is added to the net sales, and the purchase costs are subtracted, adjusted by the change of the purchase costs of finished and work-in-progress products, adjusted by costs arising from manufacturing for own use, and the expenses arising from employee benefits and other business expenses subtracted..	<b>Gearing, %</b>	$\frac{\text{Interest-bearing net financial liabilities}}{\text{Total equity}} \times 100$
<b>Comparable EBITDA</b>	EBITDA + items affecting comparability	<b>Gross capital expenditure</b>	Gross capital expenditure includes additions in intangible and tangible assets.
<b>Comparable EBITDA, % of net sales</b>	$\frac{\text{Comparable EBITDA}}{\text{Net sales}} \times 100$	<b>Gross capital expenditure, % of net sales</b>	$\frac{\text{Gross capital expenditure}}{\text{Net sales of the financial year}} \times 100$
<b>Operating profit</b>	Operating profit is the net sum calculated by adding other operating income to net sales, deducting purchase expenses that have been adjusted by changes in inventories of finished goods and work in progress and by expenses from production for own use; and by deducting expenses from employee benefits, depreciation and possible impairment losses, as well as other operating expenses.	<b>Research and development costs</b>	Research and development costs include materials and supplies, working hours and other operating costs
<b>Operating profit, % of net sales</b>	$\frac{\text{Operating profit}}{\text{Net sales of the financial year}} \times 100$	<b>Research and development costs, % of net sales</b>	$\frac{\text{Research and development costs}}{\text{Net sales of the financial year}} \times 100$
<b>Profit before tax, % of net sales</b>	$\frac{\text{Profit before tax}}{\text{Net sales of the financial year}} \times 100$	<b>Order book, EUR million</b>	Binding sales contracts received but not yet delivered as far the orders have not been recognized in net sales.
<b>Profit for the financial year, % of net sales</b>	$\frac{\text{Profit for the financial year}}{\text{Net sales of the financial year}} \times 100$	<b>Order intake, EUR million</b>	Binding sales contracts entered into force during the financial year according to the latest net sales estimate.
<b>Return on investment (ROI), %</b>	$\frac{\text{Profit before tax + financial expenses}}{\text{Shareholders' equity + interest-bearing financial liabilities (average of the financial year)}} \times 100$	<b>Personnel at Dec. 31</b>	Number of employed personnel at the end of the financial year.
<b>Return on equity (ROE), %</b>	$\frac{\text{Profit/loss for the financial year}}{\text{Shareholders' equity (average of the financial year)}} \times 100$	<b>Personnel, average</b>	Average of the number of employed personnel at the end of calendar months.
<b>Interest-bearing net liabilities</b>	Interest-bearing liabilities ./ (cash and cash equivalents + financial assets at fair value through profit or loss)	<b>Personnel, effective</b>	Effective number of employed personnel at the end of the calendar months of the financial year
		<b>Personnel, effective, average</b>	Average of the effective number of employed personnel at the end of the calendar months of the financial year.
		<b>Dividend distribution</b>	Dividend distribution confirmed or proposed for the financial year.
		<b>Repayment of equity</b>	Repayment of equity from the non-restricted equity reserve confirmed or proposed for the financial year.

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Earnings per share, (EPS), undiluted, EUR	<b>1.96</b>	0.22	-2.56	-0.39	-0.20
Earnings per share, (EPS), diluted, EUR	<b>1.91</b>	0.22	-2.56	-0.39	-0.20
Equity to share, EUR	<b>8.12</b>	6.92	5.09	7.69	9.01
Dividend per combined series (series A) share, EUR	<b>0.55*</b>	0.10	-	-	0.76
Dividend per series K share, EUR	<b>-</b>	-	-	-	0.76
Dividend per profit, %	<b>28.1</b>	45.45	-	-	-176.3
Effective dividend return, %	<b>4.2</b>	1.02	-	-	-3.3
Price/earnings ratio (P/E ratio)	<b>6.68</b>	44.73	-3.06	-47.55	-107.40
<b>Development in share price (combined series shares, series A shares until April 3, 2023)</b>					
Lowest share price for the financial year, EUR	<b>9.88</b>	8.02	7.69	18.48	16.49
Highest share price for the financial year, EUR	<b>14.00</b>	11.30	19.33	23.60	25.97
Average share price for the financial year, EUR	<b>12.11</b>	9.30	11.64	21.12	19.50
Share price at the end of the financial year, EUR	<b>13.10</b>	9.84	7.83	18.77	21.51
<b>Market value of capital stock at Dec. 31</b>					
Series K shares, before combining the share series, MEUR**		-	8.2	19.6	22.5
Series A shares, before combining the share series, MEUR**		-	27.0	64.8	74.3
Shares after combining the share series and directed share issue and rights issue, MEUR	<b>80.2</b>	60.2			
<b>Total, MEUR</b>	<b>80.2</b>	60.2	35.2	84.4	96.8
<b>Trading of the company's shares (combined series shares, series A shares until April 3, 2023)</b>					
Shares traded during the financial year, pcs	<b>1 151 403</b>	993 127	613 077	591 208	680 073
% of the number of shares	<b>13.9</b>	9.4	7.5	13.2	14.0
<b>Total number of share</b>					
Series K shares (20 votes/share), adjusted number of shares***		-	1 045 727	1 045 727	1 045 727
Series A shares (1 vote/share), adjusted number of shares***		-	3 452 168	3 452 168	3 452 168
Shares after combining the share series, directed share issue and rights issue	<b>6 122 679</b>	6 122 679			
<b>Total</b>	<b>6 122 679</b>	6 122 679	4 497 895	4 497 895	4 497 895
Issue-adjusted average number of shares, 1000 pcs	<b>6 123</b>	5 550	4 498	4 498	4 498
Issue-adjusted average number of shares , diluted, 1,000 pcs	<b>6 350</b>	5 597	4 498	4 498	4 502

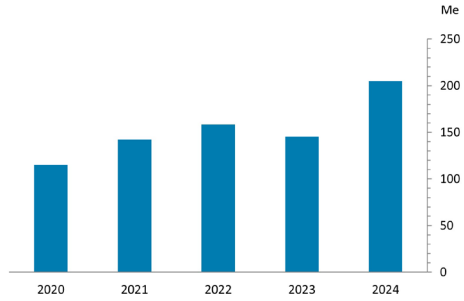
\* The Board of Directors' proposal to the Annual General Meeting 2025.

\*\* Combination of share series registered in the trade register on April 3, 2023. Series K shares are valued at the end-of-period price of series A shares.

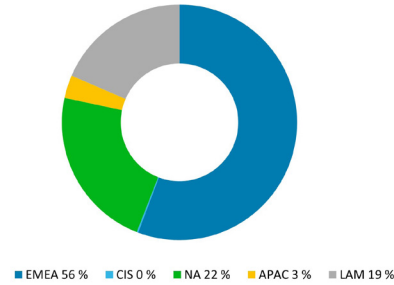
\*\*\*Combination of share series registered in the trade register on April 3, 2023

<b>Earnings per share, undiluted, euros</b>	$\frac{\text{Result for the financial year}}{\text{Average number of shares during the financial year}}$
<b>Earnings per share, diluted, euros</b>	$\frac{\text{Diluted profit (loss) for the financial year}}{\text{Diluted equity issue-adjusted average number of shares during the financial year}}$
<b>Equity to share, euros</b>	$\frac{\text{Share of shareholders' equity belonging to the owners of the Parent company}}{\text{Number of shares at the end of the financial year}}$
<b>Dividend per share, euros</b>	$\frac{\text{Distributed dividend for the financial year}}{\text{Number of shares at the end of the financial year}}$
<b>Dividend per profit, %</b>	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
<b>Effective dividend return, %</b>	$\frac{\text{Dividend per share}}{\text{Closing share price at the end of the financial year}} \times 100$
<b>Price/earnings ratio (P/E ratio)</b>	$\frac{\text{Closing share price at the end of the financial year}}{\text{Earnings per share}}$
<b>Average share price for the financial year, euros</b>	$\frac{\text{Total EUR value of series A shares traded during the financial year}}{\text{Average number of series A shares traded during the financial year}}$
<b>Market value of capital stock at Dec. 31, EUR 1,000**</b>	<p>Number of shares (combined series shares / series A and series K shares) at the end of the financial year x closing price of the combined series share at the end of the financial year</p>
<b>Share turnover combined series (A series) shares during the financial year, %</b>	$\frac{\text{Total number of combined series (series A) shares traded during the financial year}}{\text{Average number of combined series (series A) shares during the financial year}} \times 100$
<b>Number of shares, average</b>	<p>Average of the number of shares at the end of calendar months of the financial year.</p>
<b>Number of shares, average, diluted</b>	<p>Average of the issue-adjusted number of shares at the end of calendar months (options) of the financial year.</p>

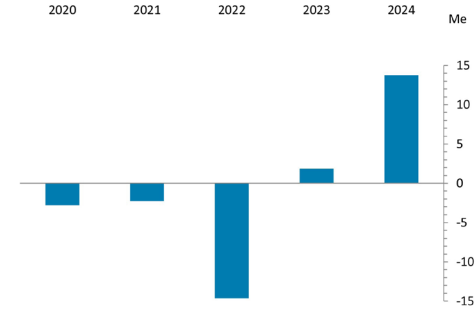
**Net sales development**



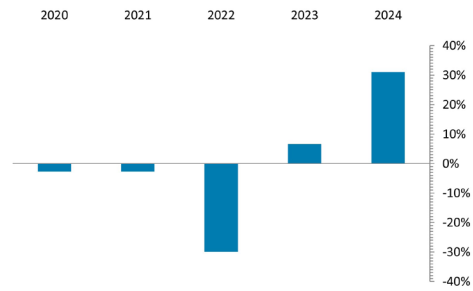
**Net sales by market area**



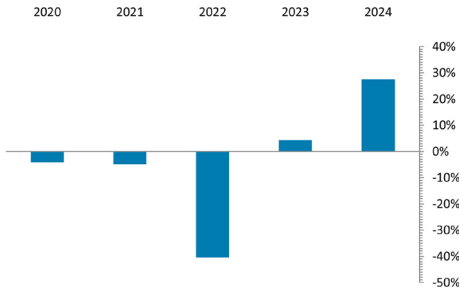
**Operating profit development**



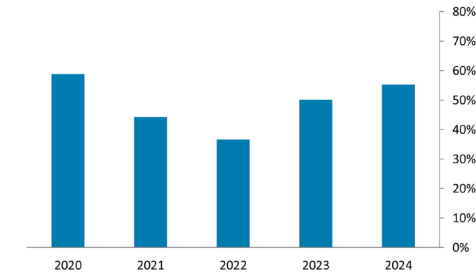
**Return on investment (ROI)**



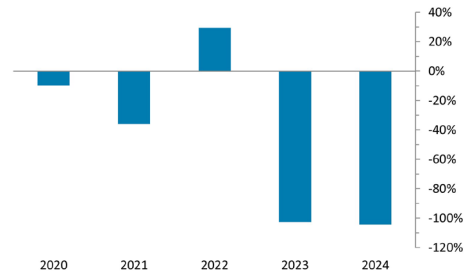
**Return on equity (ROE)**



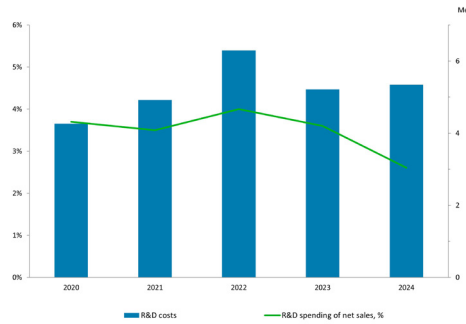
**Equity ratio**



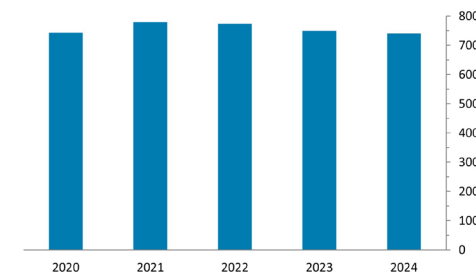
**Gearing**



**Investment in the future**



**Personnel, effective, average**



# SHARES AND SHAREHOLDERS



**Raute Corporation**

Raute is a financially sound Small Cap company with a strong family background.

Raute operates globally and has a leading position in its field.

**Market capitalization and trading**

Raute Corporation's shares are listed on the Nasdaq Helsinki Ltd in the Industrials sector. The trading code is RAUTE.

In 2024, a total of 1,151,403 Raute Corporation's combined series (previously A series) shares were traded (993,127 pieces). The total value of trading was EUR 13.9 million (MEUR 9.4). The highest share price was EUR 14.0 (EUR 11.30) and the lowest EUR 9.88 (EUR 8.02). At the end of the year 2024, the share price was EUR 13.10 (EUR 9.84). The average price was EUR 12.11 (EUR 9.30). The company's market capitalization at the end of the financial year was EUR 80.2 million (MEUR 60.2) on December 31, 2024.

**Board authorizations**

The Annual General Meeting on April 4, 2024, authorized 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 such that the minimum price of acquired shares is the lowest market price quoted in public trading during the term of validity of the authorization and, correspondingly, 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.

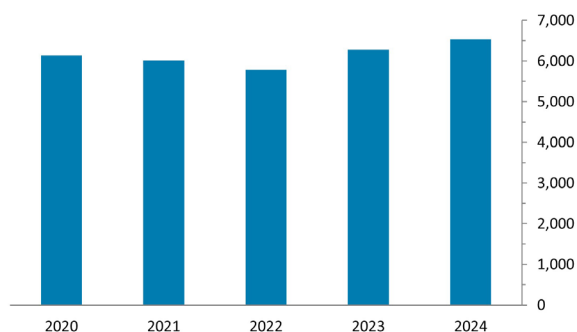
This authorization is effective until the end of the next Annual General Meeting, or at the most for 18 months following the decision of the Annual General Meeting.

COMBINED SERIES SHARES

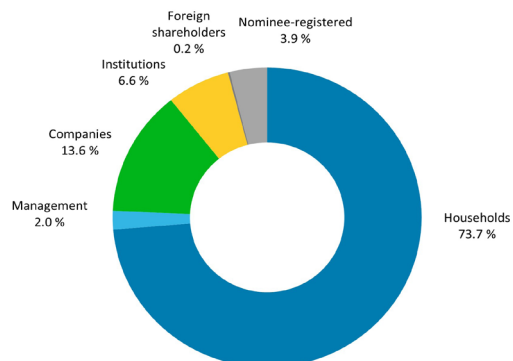
Holders of combined series shares by shareholder category at Dec. 31, 2024	Number of shareholders	%	Number of shares and voting rights	%
Households	6 224	95.3	4 632 887	75.7
Companies	238	3.6	831 309	13.6
Financial and insurance institutions	21	0.3	292 000	4.8
Foreign shareholders	24	0.4	15 808	0.3
Non-profit institutions	16	0.2	38 174	0.6
Public institutions	1	0.0	74 608	1.2
Nominee-registered	9	0.1	237 893	3.9
<b>Total</b>	<b>6 533</b>	<b>100.0</b>	<b>6 122 679</b>	<b>100.0</b>

Combined series shares by number of shares at Dec. 31, 2024	Number of shareholders	%	Number of shares and voting rights	%
1-100	3 196	48.7	129 688	2.1
101-500	2 419	37.0	589 135	9.6
501-1 000	462	7.1	3 398 86	5.6
1 001-5 000	338	5.2	660 263	10.8
5 001-10 000	48	0.7	326 185	5.3
10 001-50 000	45	0.7	1 063 602	17.4
50 001-100 000	15	0.2	1 098 828	17.9
100 001-500 000	9	0.1	1 158 842	18.9
500 001-	1	0.0	756 250	12.4
<b>Total</b>	<b>6 533</b>	<b>100.0</b>	<b>6 122 679</b>	<b>100.0</b>

Number of shareholders a December 31



Shareholding at December 31, 2024



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

	<b>Combined series shares, pcs</b>	<b>% of total shares and voting rights, %</b>
1. Sundholm Göran Wilhelm	756 250	12.4
2. Laakkonen Mikko Kalervo	227 225	3.7
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. Mustakallio Mika Tapani	103 678	1.7
10. Keskiaho Kaija Leena	101 659	1.7
11. Särkijärvi Anna Riitta	98 986	1.6
12. Suominen Tiina Sini-Maria	97 344	1.6
13. Eai Raute Holding Oy	96 011	1.6
14. eQ Nordic Small Cap Mutual Fund	90 000	1.5
15. Suominen Jussi Matias	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	57 000	0.9
<b>Total</b>	<b>2 713 818</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 AT DECEMBER 31, 2024**

The Board of Directors, the President and CEO as well as the Executive Board held altogether 125,185 shares at December 31, 2024.

Management's shareholding equals 2.0 percent of the company shares and votes. The figures include the holding of their own, minor children and control entities.

**NOMINEE-REGISTERED SHARES AT DECEMBER 31, 2024**

Nominee-registered shares accounted for 3.9 percent (2.7%) of the total shares.

**NUMBER OF SHAREHOLDERS AT DECEMBER 31, 2024**

The number of shareholders totaled 6,533 (6,275) at the end of the year 2024.



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