



Interim Report
1.1.–31.3.2022

RAUTE CORPORATION – INTERIM REPORT JANUARY 1–MARCH 31, 2022

- The Group's Q1 net sales amounted to EUR 41.3 million (MEUR 24.8), up 67% on the comparison period. Of the net sales, EUR 14 million came from revenue recognized from the Russian order book.
- Operating profit, at EUR -1.5 million (MEUR -2.8) rose 46%. The result before taxes was EUR -1.2 million (MEUR -2.7).
- Earnings per share were EUR -0.29 (EUR -0.65), and diluted earnings per share EUR -0.29 (EUR -0.65).
- Order intake, at EUR 36 million (MEUR 30), was at a good level. The order book at the end of the reporting period stood at EUR 152 million (MEUR 98). EUR 2.4 million of the order intake is from Russia, which we received before Russia's attack on Ukraine. The order book includes EUR 78 million in orders from Russia.
- On March 2, 2022, Raute's Board of Directors withdrew the 2022 earnings guidance that it released earlier. Due to the uncertain situation, the Board of Directors will not present new guidance for 2022 at the present time.
- Orders received before Russia's war in Ukraine began and before the resulting sanctions entered into force, and the net sales and margin resulting from the recognition of revenue from the order book have been treated in this interim report based on the outcome.

Tapani Kiiski, President and CEO: Rising costs meant a negative Q1 result. Order book for the Russian market presents greatest uncertainty.

Demand was brisk and the order intake was good. As per our decision of March 4, 2022, we did not sign new contracts with Russian parties. Demand from other developed markets will partially replace Russia's potential at least in the short term. Activity in the Asian (except for China) and South American markets is also on the rise. In China, the general slowing of the economy and the recent dramatic Covid-19 restrictions have brought demand almost to a halt. In the longer term, I believe that the focus of growth and the replacement for the Russian market will shift more to the emerging markets.

In the first quarter of the year, we received new orders worth around EUR 36 million. This is a good achievement, considering that the figure does not include major mill projects. Before March 4, 2022 we received EUR 2.4 million in orders from Russia. Mid-sized single production line orders and modernization orders were at a good level, confirming our view that the markets are enjoying a strong momentum. The order intake for technology services and our analyzer products was at a particularly good level thanks to modernization-related projects. That shows that our customers' desire and commitment to systematically improve the safety, quality and efficiency of their operations is on a good level.

Overall, our order book is still at a high level, EUR 152 million, although it fell year-to-date. Of the order book, EUR 78 million is for the Russian market. The order book for the other markets, EUR 74 million, is also at a good level. Our order book for Russia

is our greatest risk currently. Once the war in Ukraine began, we quickly made the decision to refrain from making new contracts with Russian parties and we will furthermore evaluate the conditions and liabilities linked to the implementation of each project. Before the EU's fifth sanction package released on April 8, 2022, the sanctions affecting Raute mostly applied to financial transactions and one customer due to their holdings. The most recent sanctions put Raute's technology and services mostly within the scope of the sanctions after the transition period. We will shortly evaluate the impacts of the altered situation on our order book. Also, our already recognized net sales and margin may be subject to uncertainty.

Our net sales, EUR 41.3 million, were up 67 percent on the comparison period. This was expected due to the timing of the order book, partly from making up the delays at the end of 2021. In addition, the good demand for technology services contributed to the growth. We succeeded in delivering our order book despite the problems with raw material and component availability.

The Q1 result was impacted negatively by the significantly stronger-than-expected increase in purchase prices and freight costs. This impacted a few projects in particular. Last summer and thereafter, we prepared for increasing costs based on estimates at the time. However, our preparations turned out to be lacking. The rising cost development is expected to continue. We have tried to prepare for it, but as the past few months have shown, the uncertainty will persist.

Despite the risk caused by the Russian market, we have continued to invest in our stated strategic priorities, the emerging markets and the development of our technology services business and digitalization, without forgetting traditional high-technology production process solutions. All these measures are aimed at improving our earnings power. In terms of sales and marketing, we will focus our resources on the European and North American markets where demand is strong. Our solid financial position and advanced technology are important competitive advantages and enablers of this type of long-term work.

Raute's Board of Directors withdrew its earnings guidance on March 2, 2022, and will not be providing new guidance for now due to the uncertain situation.

As stated in the stock exchange release published on April 19, 2022, I will be leaving my position as Raute's President and CEO after this interim report is published. This will be my 73rd and last interim report. I would like to extend my warmest thanks to Raute's shareholders and the entire investor community for their interest in Raute. Investors' interest has increased significantly during my time as CEO; for example the number of shareholders has grown from around 1,500 to some 6,000. I want to wish my successor, and the whole of Raute, every success. I believe that once this crisis has passed, Raute will be stronger than ever.

RAUTE CORPORATION – INTERIM REPORT JANUARY 1–MARCH 31, 2022

BUSINESS ENVIRONMENT

Update of the impacts of the Russian military actions on Raute's business operations in Russia

Raute condemns Russia's attack on Ukraine. The attack and resulting sanctions have an impact on Raute's business operations in Russia. Raute has projects ongoing for several different customers located at Russia. On March 4, 2022, we announced our decision to not sign any new contracts with Russian parties. Raute's order book on March 31, 2022 for Russian customers was EUR 78 million. The order book consisted of project and technology service deliveries both to operating mills and new plywood mill projects in Russia.

Due to Russia's attack on Ukraine, the EU, the United States and other countries have set wide sanctions against Russia. In particular, the EU's fifth sanction package released on April 8, 2022 included export prohibitions which are estimated to have an impact also on some of Raute's deliveries to Russia. In addition, the logistics to Russia has become significantly more difficult due to the prohibitions having an influence on Russian transport companies. Raute has started a controlled shutdown of existing agreements with those customers that are not under sanctions. After that the company does not expect any net sales accruing from the remaining order book. Controlled shutdown of the order book through completing deliveries or ending the contract depends on how the payments and logistics work and on potential changes and interpretations of export restrictions and other sanctions. Raute's assets related to the Russian customers were EUR 9.4 million at the end of March. Raute's balance sheets includes advance payments from Russian customers worth approximately EUR 17.1 million at the end of March. There are risks related to these assets and received advance payments in case the controlled shutdown of contracts turns out to not be possible.

The contracts of Russian project deliveries have been made in euros. The contracts include advance payments, which typically are secured with an advance payment guarantee from banks operating in Finland. In several agreements, payment items

based on deliveries and other milestones have been secured with documentary credits confirmed by banks operating in Finland. Typically, the payment schedules have been agreed so that the advance payments received by Raute exceed the accrued costs. Raute's assets in rubles in Russia were equal to less than one million euros at March 31, 2022 and the assets were mainly related to the local maintenance business in Russia. Raute has no currency hedging related to Russian ruble..

Market situation in customer industries

Raute's customers in the veneer, plywood and LVL (Laminated Veneer Lumber) industries are engaged in the manufacture of wood products used in investment projects and are thus affected by fluctuations in construction, housing-related consumption, international trade, and transportation. We expect that the trend-like growth in wood construction will create demand for our customers and indirectly for Raute, strengthening our long-term growth opportunities.

In Q1, the situation and outlook in the global economy and the financial markets became uncertain due to the military action begun by Russia and the resulting sanctions. Inflation concerns caused by the rise in raw material and transport costs increased uncertainty and weakened the outlook, but this did not weaken demand for Raute's customers' products. Aside from a few Asian markets, China in particular, we could say that the restrictions imposed due to the Covid-19 pandemic and its other direct impacts have all but disappeared.

Demand for wood products technology and technology services

Demand for Raute's technology and services was strong in the developed markets of Europe and North America. We did not conclude any new contracts in Russia, as per our decision of March 4, 2022. In the emerging markets in Asia, with the exception of China, and in South America, demand was lower than in the developed markets, but is looking up. China's demand was very low because of its strict Covid-19 measures.

Investment activity among Raute's customers remained good. The reporting period's order intake was good, considering that it did not include any large capacity orders.

Demand for maintenance and spare parts services remained good, which is an indication of the generally good capacity utilization rates of Raute's customers' production plants.

ORDER INTAKE AND ORDER BOOK

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

The continuing good market situation was reflected in the volume of new orders Raute received. The order intake during 2022 was at a good level and amounted to EUR 36 million (MEUR 30). The order intake consisted of individual production line project deliveries, modernizations and technology services.

Of new orders, 7 percent came from Russia (17%, all of these orders were received before our decision of March 4 to refrain from concluding new contracts with Russian parties), 37 percent from Europe (32%), 41 percent from North America (37%), 8 percent from Asia-Pacific (9%) and 7 percent from South America (5%). Sometimes even strong fluctuations in the distribution of new orders between the various market areas are typical for project-focused business.

Order intake in technology services amounted to EUR 20 million (MEUR 19), up 5 percent on the comparison period.

The order book increased during the first quarter by EUR 54 million, compared to last year's Q1 report. As of the start of the year, the order book decreased by EUR 6 million. The order book at the end of the reporting period remained strong at EUR 152 million (MEUR 98). The majority of the order book is scheduled for 2022, but the volume scheduled for 2023 is also exceptionally large.

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. In such investments, the supplier's overall expertise and extensive and diverse technology offering play an important role. The competitive edge provided by Raute plays a major role when customers select their cooperation partners. Raute's strong financial position and 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

Net sales for the reporting period totaled EUR 41.3 million (MEUR 24.8), up 67 percent on the first quarter of 2021. The strong growth in net sales was expected and caused by the planned timing of the order book and strong demand for technology services.

Of the net sales during the reporting period, Russia accounted for 35 percent (59%), Europe for 36 percent (18%), North America for 21 percent (14%), South America for 4 percent (6%), and Asia-Pacific for 4 percent (3%). Russia's share results from the order book in the Russian market. As we announced on March 4, we aim to honor our commitments and deliver our order book in progress, within the limits set by the sanctions.

RESULT AND PROFITABILITY

Operating profit was EUR 1.5 million negative (MEUR 2.8 negative) and accounted for -3.6 percent (-11.1%) of net sales. The operating profit was negative due to the significantly stronger-than-expected increase in raw material and freight purchase prices. We continued with our previously announced investments in product development, marketing and digitalization.

The result before taxes for the reporting period was EUR 1.2 million negative (MEUR 2.7 negative). The result for the reporting period was EUR 1.2 million negative (MEUR 2.8 negative). Undiluted earnings per share were EUR -0.29 (EUR -0.65).

CASH FLOW AND BALANCE SHEET

The Group's financial position remained good. At the end of the reporting period, gearing was -19 percent (-7%), and the equity ratio was 44 percent (49%).

The Group's cash and cash equivalents amounted to EUR 17.0 million (MEUR 10.8) at the end of the reporting period. Operating cash flow was EUR 4.9 million negative (MEUR 0.4 positive). Cash flow from investment activities totaled EUR 2.0 million negative (MEUR 1.1 negative). Cash flow from financing activities was EUR 0.5 million negative (MEUR 0.0 negative).

Interest-bearing liabilities amounted to EUR 6.2 million (MEUR 2.4) at the end of the reporting period. The majority of the sum consists entirely of liabilities for right-of-use assets.

The parent company Raute Corporation has a EUR 10 million commercial paper program, which allows the company to issue commercial papers maturing in less than one year.

The parent company Raute Corporation is prepared for future working capital needs and has long-term credit facility agreements with two Nordic banks totaling EUR 20.5 million. The main covenants of the credit facilities are an equity ratio of >30% and gearing of <80%. Of the credit facilities, EUR 20.5 million remained unused at the end of the reporting period.

EVENTS DURING THE REPORTING PERIOD

Raute Corporation published stock exchange releases on the following events in 2022:

January 25, 2022: Profit warning: Raute Corporation's operating profit for 2021 will remain at the level of 2020 due to the new agenda decision issued by IFRIC on IT cloud services

February 11, 2022: New long-term incentive plan based on performance, share value and growth established for Raute's senior management and selected key persons

March 2, 2022: Raute Corporation to withdraw its financial guidance for 2022

March 4, 2022: The impacts of the Russian military actions on Raute's business operations in Russia

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.

Research and development costs in the reporting period amounted to EUR 1.5 million (MEUR 1.2), representing 3.6 percent of net sales (4.9%).

The Group's capital expenditure during the period came to EUR 1.4 million (MEUR 1.1) and accounted for 3.4 percent (4.6%) of net sales. Our most important investment was the continuation of our extensive IT system renewal project.

HUMAN RESOURCES

At the end of the reporting period, the Group's personnel numbered 821 (781). Group companies outside Finland accounted for 33 percent (32%) of employees.

Converted to full-time employees ("effective headcount"), the average number of employees was 819 (757) during the reporting period.

The Group continued to develop the competence of its personnel and increase their commitment to the company. Approximately one percent (1%) of the payroll was invested in personnel training. One of the key strategic priorities for developing personnel continued to be the training for the needs of the new IT system project.

Occupational safety weakened slightly from the 2021 level. The total number of lost-time injuries was three, all non-serious cases and all at our facilities outside Finland. The LTIF figure was 8.0 (7.0).

SHARES

The number of Raute Corporation's shares at the end of the reporting period totaled 4,263,194 (4,263,194), of which 991,161 (991,161) were series K shares (ordinary share, 20 votes/share) and 3,272,033 (3,272,033) were series A shares (1 vote/share). Series K and A shares confer equal rights to dividends and company assets.

Series K shares can be converted to series A shares under the terms set out in Article 3 of the Articles of Association. If an ordinary share is transferred to a new owner who has not previously held series K shares, the new owner must notify the Board of Directors of this in writing and without delay. In this kind of situation, other holders of series K shares have the right to redeem the series K share under the terms specified in Article 4 of the Articles of Association.

Raute Corporation's series A shares are listed on Nasdaq Helsinki Ltd. The trading code is RAUTE.

The company's market capitalization at the end of the reporting period was EUR 73.8 million (MEUR 97.2), with series K shares valued at the closing price of series A shares for the reporting period, i.e. EUR 17.30 (EUR 22.80).

REMUNERATION

The Annual General Meeting approved, on March 31, 2022, 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.

Share-based incentive plans

The Group has valid long-term share-based incentive plans based on performance.

The company decided to launch a new long-term incentive plan based on performance, share value and growth (LTI Plan 2022–2024) on February 11, 2022.

The terms and conditions of the incentive plans are available on the company's website. More detailed and up-to-date information is presented on the company's website.

SHAREHOLDERS

The number of shareholders totaled 6,009 at the beginning of the year and 5,989 at the end of the reporting period. Series K shares were held by 55 private individuals (54) at the end of the reporting period. Nominee-registered shares accounted for 2.0 percent (2.2%) of shares. The company did not receive any flagging notifications during the reporting period.

The Board of Directors, the President and CEO as well as the Executive Board held altogether 256,059 company shares, equaling 6.0 percent (6.0%) of the company shares and 11.6 percent (11.6%) of the votes at the end of the reporting period.

CORPORATE GOVERNANCE

Raute Corporation complies with the Finnish Corporate Governance Code 2020 for listed companies issued by the Securities Market Association on September 19, 2019, except for the deviation from Recommendation 15 concerning the appointment of members to the Appointments Committee.

EXECUTIVE BOARD

Raute Group's Executive Board and the members' areas of responsibility:

Tapani Kiiski, President and CEO, Chairman – Sales, customer excellence

Kurt Bossuyt, Executive Vice President, Services – Services market

Marko Hjelt, Executive Vice President, Human Resources – People excellence, safety

Mika Hyysti, Executive Vice President, CTO – Innovations, products and services, and R&D

Tarja Järvinen, Executive Vice President, CFO – Finance, ICT and other business support, sustainability

Timo Kangas, Executive Vice President, Power – Power market
Jani Roivainen, Executive Vice President, Metrix – Metrix market

Jukka Siiriäinen, Executive Vice President, Grow – Grow market
Petri Strengell, Executive Vice President, COO – Supply chain and quality

ANNUAL GENERAL MEETING 2022

Raute Corporation's Annual General Meeting was held on March 31, 2022, as planned. Due to the Covid-19 pandemic, special arrangements were made when organizing the meeting to avoid endangering the health of shareholders and others taking part in the meeting.

The Annual General Meeting approved the 2021 Financial Statements, discharged those accountable from liability and authorized the Board of Directors to decide, at its discretion, on the payment of a total dividend of no more than EUR 0.80 per share for series A and K shares.

The Annual General Meeting elected the company's Board of Directors for a term that expires at the end of the Annual General Meeting of 2023. Ms. Laura Raitio was elected Chairman of the Board, Mr. Mika Mustakallio was elected Vice-Chairman, and Mr. Joni Bask, Mr. Ari Harmaala, Mr. Petri Perttula, Mr. Ari Piik, and Mr. Patrick von Essen were elected as Board members.

The authorized public accounting company PricewaterhouseCoopers was chosen as the auditor, with Authorized Public Accountant Markku Launis as the principal auditor.

The Annual General Meeting decided that the remuneration paid to the Chairman of the Board will be EUR 48,000 and to the Vice-Chairman of the Board and Board members EUR 24,000 for the term of office and that the Board members' traveling expenses will be compensated in accordance with the company's travel policy. The auditors' remuneration will be paid on the basis of reasonable invoicing as approved by the company.

The Annual General Meeting authorized the Board of Directors to resolve on the repurchase of the company's series A shares with assets from the company's non-restricted equity and an issue of a maximum of 400,000 of these shares. The Annual

General Meeting also approved the Remuneration Report for Governing Bodies.

More detailed information on the decisions of the Annual General Meeting can be found in the stock exchange release issued on March 31, 2022.

DISTRIBUTION OF PROFIT FOR THE 2021 FINANCIAL YEAR

The Annual General Meeting on March 31, 2021 decided that no dividend be paid for the financial year 2021 by a resolution of the Annual General Meeting and that the distributable assets be transferred to equity. The Annual General Meeting, however, decided to authorize the Board of Directors to decide, at its discretion, on the payment of a total dividend of no more than EUR 0.80 per share for series A and K shares. The authorization is valid until the beginning of the company's following Annual General Meeting. Unless the Board of Directors, for a legitimate reason, decides otherwise, the possible dividend is paid in one installment during the validity of the authorization. The Board of Directors will make a separate decision on the payment of dividend. The company will disclose such decision separately and confirm the record date and the payment date for the dividend in connection thereof. The dividend paid based on the Board of Directors' decision will be paid to shareholders who, on the record date for the dividend payment in question, are registered in the company's register of shareholders maintained by Euroclear Finland Ltd.

EVENTS AFTER THE REPORTING PERIOD

Raute Corporation's President and CEO Tapani Kiiski is leaving his position on April 30, 2022. The Board of Directors has appointed Petri Strengell as the interim President and CEO effective May 1, 2022.

BOARD OF DIRECTORS AND BOARD COMMITTEES

The Board of Directors elected by Raute Corporation's Annual General Meeting on March 31, 2022, held a constitutive meeting.

Based on the evaluation of independence by the Board of Directors, Chairman of the Board Ms. Laura Raitio and members Mr. Joni Bask, Mr. Ari Harmaala, Mr. Petri Perttula, Mr. Ari Piik and Mr. Patrick von Essen are independent of the company. Vice-Chairman of the Board of Directors Mr. Mika Mustakallio is not estimated to be independent of the company, as he has served on the Board of Directors for more than ten years. Chairman of the Board Ms. Laura Raitio and two Board members, Mr. Ari Harmaala and Mr. Patrick von Essen, are independent of major shareholders.

Raute Corporation's Board of Directors has an Appointments Committee. The Appointments Committee is chaired by Ms. Laura Raitio, and its members are Mr. Mika Mustakallio and Mr. Pekka Suominen. Due to the company's ownership structure, it has been considered, in deviation from recommendation 15 of the Finnish Corporate Governance Code 2020 for listed companies issued by the Securities Market Association on September 19, 2019, that it is justified that a representative of a large shareholder group who is not a member of the Board of Directors is a member of the Appointments Committee.

The Audit Committee's tasks are handled by the Board of Directors.

BUSINESS RISKS

A significant share of Raute's order book, ca. EUR 78 million, is for Russia. The amount and thus the uncertainty it causes has been reduced by around EUR 5 million after the first sanctions entered into effect. As we stated earlier, we will not make any new contracts in Russia. By complying with the set sanctions in full we try to operate in accordance with the contracts we have entered into earlier. The rapidly changing sanctions result in uncertainty in our ability to operate in line with our contracts and recognize revenue from our order book in progress. Prior to the EU's fifth sanction package, which entered into force on April 8, 2022, the key source of uncertainty was the restrictions on financial transactions. As a result of the latest sanction package, the majority of Raute's technology and services will fall under

the scope of the sanctions following the transition period. We are still evaluating the impacts on the order book, the outlook for the rest of the year and the recognized net sales and margin.

Aside from the political risk, the most significant risks for Raute in the near term are related to the price development and, to some extent, availability of raw materials, components and freight.

Restrictions resulting from the pandemic caused by Covid-19 will have a negative impact on Raute's outlook also in the future, but less so than in the two previous years.

OUTLOOK FOR 2022

Raute Corporation's Board of Directors withdrew its earnings guidance on March 2, 2022. Due to the uncertain situation, the Board of Directors will not present new guidance for 2022.

CONSOLIDATED STATEMENT OF INCOME

Raute Corporation's Board of Directors has approved this Interim financial report for January 1– March 31, 2022 to be published.

The figures for the financial year 2021 presented in the figures section of the Interim financial report have been audited. The presented interim financial report figures have not been audited.

CONSOLIDATED STATEMENT OF INCOME

| EUR 1,000 | 1.1.– 31.3.2022 | 1.1.– 31.3.2021 | 1.1.– 31.12.2021 |
|--|--------------------|--------------------|---------------------|
| NET SALES | 41 274 | 24 759 | 142 212 |
| Change in inventories of finished goods and work in progress | -617 | 993 | -2 233 |
| Other operating income | -1 | 168 | 437 |
| Materials and services | -23 864 | -12 622 | -74 324 |
| Employee benefits expense | -12 097 | -11 300 | -44 517 |
| Depreciation, amortization and impairments | -1 248 | -973 | -4 315 |
| Other operating expenses | -4 925 | -3 778 | -19 504 |
| Total operating expenses | -42 135 | -28 673 | -142 661 |
| OPERATING RESULT | -1 478 | -2 753 | -2 244 |
| % of net sales | -3,6 | -11,1 | -1,6 |
| Financial income | 872 | 207 | 998 |
| Financial expenses | -552 | -167 | -525 |
| Financial expenses, net | 320 | 39 | 472 |
| RESULT BEFORE TAX | -1 158 | -2 714 | -1 772 |
| % of net sales | -2,8 | -11,0 | -1,2 |
| Income taxes | -60 | -37 | -3 |
| RESULT FOR THE PERIOD | -1 218 | -2 751 | -1 775 |
| % of net sales | -3,0 | -11,1 | -1,2 |
| Result for the period attributable to | | | |
| Equity holders of the Parent company | -1 218 | -2 751 | -1 775 |
| Earnings per share for profit attributable to Equity holders of the Parent company, EUR | | | |
| Undiluted earnings per share | -0,29 | -0,65 | -0,42 |
| Diluted earnings per share | -0,29 | -0,65 | -0,42 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR 1,000 | 1.1.– 31.3.2022 | 1.1.– 31.3.2021 | 1.1.– 31.12.2021 |
|---|--------------------|--------------------|---------------------|
| RESULT FOR THE PERIOD | -1 218 | -2 751 | -1 775 |
| Other comprehensive income items | | | |
| Items that will not be reclassified to profit or loss | | | |
| Changes in the fair value of financial assets att fair value through other comprehensive income | - | | -416 |
| Items that may be subsequently reclassified to profit or loss | | | |
| Hedging reserve, hedge accounting | -205 | -27 | -62 |
| Exchange differences on translating foreign operations | 224 | 63 | 56 |
| Income taxes related to these items | 0 | 0 | 83 |
| Comprehensive income items for the period, net of tax | 19 | 36 | -339 |
| COMPREHENSIVE RESULT FOR THE PERIOD | -1 199 | -2 715 | -2 114 |
| Comprehensive result for the period attributable to | | | |
| Equity holders of the Parent company | -1 199 | -2 715 | -2 114 |
| Shares, 1 000 pcs | | | |
| Adjusted average number of shares | 4 263 | 4 263 | 4 263 |
| Adjusted average number of shares, diluted | 4 263 | 4 263 | 4 263 |

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET

| EUR 1,000 | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|--|----------------|---------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 1 714 | 1 714 | 1 714 |
| Other intangible assets | 7 223 | 3 816 | 6 400 |
| Property, plant and equipment | 11 296 | 10 687 | 11 489 |
| Right of use assets | 8 624 | 6 496 | 10 064 |
| Other financial assets | 1 019 | 1 597 | 1 019 |
| Accounts receivables | 14 | 670 | - |
| Deferred tax assets | 1 676 | 1 658 | 1 853 |
| Total non-current assets | 31 567 | 26 638 | 32 538 |
| Current assets | | | |
| Inventories | 23 296 | 17 292 | 22 009 |
| Accounts receivables and other receiv- | 49 917 | 37 843 | 31 629 |
| Income tax receivable | 7 | 6 | 143 |
| Cash and cash equivalents | 16 990 | 10 842 | 24 357 |
| Total current assets | 90 212 | 65 983 | 78 138 |
| TOTAL ASSETS | 121 778 | 92 621 | 110 676 |

CONSOLIDATED BALANCE SHEET

| EUR 1,000 | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|---|----------------|---------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Equity attributable to Equity holders of the | | | |
| Share capital | 8 256 | 8 256 | 8 256 |
| Fair value reserve and other reserves | 6 586 | 7 161 | 6 791 |
| Exchange differences | 1 019 | 1 120 | 548 |
| Retained earnings | 18 209 | 19 677 | 20 238 |
| Profit for the period | -1 218 | -2 750 | -1 775 |
| Total equity | 32 853 | 33 464 | 34 064 |
| Non-current liabilities | | | |
| Deferred tax liability | 69 | 19 | 228 |
| Lease liability | 7 172 | 5 021 | 8 493 |
| Provisions | 0 | 0 | 207 |
| Total non-current liabilities | 7 241 | 5 040 | 8 928 |
| Current liabilities | | | |
| Current interest-bearing liabilities | 1 510 | 1 439 | 2 071 |
| Lease liability | 2 116 | 1 940 | 1 549 |
| Current advance payments received | 46 649 | 24 483 | 33 764 |
| Income tax liability | 658 | 540 | 624 |
| Trade payables and other liabilities | 28 205 | 22 959 | 27 044 |
| Provisions | 2 546 | 2 757 | 2 632 |
| Total current liabilities | 81 684 | 54 117 | 67 685 |
| Total liabilities | 88 925 | 59 157 | 76 612 |
| TOTAL EQUITY AND LIABILITIES | 121 778 | 92 621 | 110 676 |

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

| EUR 1,000 | 1.1.–31.3.2022 | 1.1.–31.3.2021 | 1.1.–31.12.2021 |
|---|----------------|----------------|-----------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Proceeds from customers | 36 883 | 29 723 | 160 037 |
| Other operating income | - | 137 | - |
| Payments to suppliers and employees | -42 790 | -29 165 | -135 940 |
| Cash flow before financial items and taxes | -5 907 | 696 | 24 097 |
| Interest paid from operating activities | -33 | -51 | -147 |
| Dividends received from operating activities | 676 | 190 | 745 |
| Interest received from operating activities | 8 | 7 | 33 |
| Other financing items from operating activities | -318 | -104 | -292 |
| Income taxes paid from operating activities | 671 | -334 | -433 |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | -4 903 | 403 | 24 003 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment and intangible assets | -2 014 | -1 127 | -6 297 |
| Proceeds from sale of property, plant and equipment and intangible assets | - | 4 | - |
| Payment for acquisition of subsidiary, net of cash acquired | - | 0 | - |
| NET CASH FLOW FROM INVESTING ACTIVITIES (B) | -2 014 | -1 123 | -6 297 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from current borrowings | - | -14 | - |
| Repayments of current borrowings | - | - | - |
| Repayments of lease liability | -496 | - | -1 752 |
| Dividends paid | - | - | -3 411 |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | -496 | -14 | -5 163 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C) | -7 413 | -733 | 12 543 |
| increase (+)/decrease (-) | | | |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 24 357 | 11 601 | 11 601 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | -7 413 | -733 | 12 543 |
| EFFECTS OF EXCHANGE RATE CHANGES ON CASH | 46 | -26 | 213 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 16 990 | 10 842 | 24 357 |
| CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET AT THE END OF THE PERIOD* | | | |
| Cash and cash equivalents | 16 990 | 10 842 | 24 357 |

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| EUR 1,000 | Share capital | Invested non-restricted equity reserve | Other reserves | Exchange differences | Retained earnings | To the equity holders of the Parent company | TOTAL EQUITY |
|--|---------------|--|----------------|----------------------|-------------------|---|---------------|
| EQUITY at Jan. 1, 2022 | 8 256 | 5 711 | 1 080 | 548 | 18 469 | 34 064 | 34 064 |
| Comprehensive profit for the period | | | | | | | |
| Profit for the period | - | - | - | - | -1 218 | -1 218 | -1 218 |
| Other comprehensive income items: | | | | | | | |
| Changes in the fair value of financial assets at fair value through other comprehensive income | - | - | - | - | - | 0 | 0 |
| Hedging reserve | - | - | -205 | | | -205 | -205 |
| Exchange differences on translating foreign operations | - | - | - | 484 | -260 | 224 | 224 |
| Income taxes related to these items | - | - | - | - | - | 0 | 0 |
| Total comprehensive profit for the period | 0 | 0 | -205 | 484 | -1 478 | -1 199 | -1 199 |
| Transactions with equity holders | | | | | | | |
| Equity-settled share-based transactions | - | - | - | - | - | - | - |
| Dividends distribution resolution on March 31, 2022 | - | - | - | - | - | - | - |
| Total transactions with equity holders | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EQUITY at March 31, 2022 | 8 256 | 5 711 | 875 | 1 032 | 16 991 | 32 866 | 32 866 |

COMPARISON PERIOD

| EUR 1,000 | Share capital | Invested non-restricted equity reserve | Other reserves | Exchange differences | Retained earnings | To the equity holders of the Parent company | TOTAL EQUITY |
|--|---------------|--|----------------|----------------------|-------------------|---|---------------|
| EQUITY at Jan. 1, 2021 | 8 256 | 5 711 | 1 476 | 353 | 23 790 | 39 587 | 39 587 |
| Comprehensive profit for the period | | | | | | | |
| Profit for the period | - | - | - | - | -2 751 | -2 751 | -2 751 |
| Other comprehensive income items: | | | | | | | |
| Changes in the fair value of financial assets at fair value through other comprehensive income | - | - | - | - | - | 0 | 0 |
| Hedging reserve | - | - | -27 | | | -27 | -27 |
| Exchange differences on translating foreign operations | - | - | - | 767 | -704 | 63 | 63 |
| Income taxes related to these items | - | - | - | - | - | 0 | 0 |
| Total comprehensive profit for the period | 0 | 0 | -27 | 767 | -3 455 | -2 715 | -2 715 |
| Transactions with equity holders | | | | | | | |
| Equity-settled share-based transactions | - | - | - | - | - | - | - |
| Dividends distribution resolution on March 31, 2021 | - | - | - | - | -3 411 | -3 411 | -3 411 |
| Total transactions with equity holders | 0 | 0 | 0 | 0 | -3 411 | -3 411 | -3 411 |
| EQUITY at March 31, 2021 | 8 256 | 5 711 | 1 450 | 1 120 | 16 925 | 33 464 | 33 464 |

NOTES TO THE INTERIM FINANCIAL REPORT

General information

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

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

Raute Group's Parent company, Raute Corporation, is a Finnish public limited liability company established in accordance with Finnish law (Business ID FI01490726). Its series A shares are quoted 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.

All of the figures presented in the Interim financial report are in thousand euro, unless otherwise stated. Due to the rounding of the figures in the financial statement tables, the sums of figures may deviate from the sum total presented in the table. Figures in parentheses refer to the corresponding figures in the comparison period.

Basis of preparation

Raute Corporation's Interim financial report for January 1–March 31, 2022 has been prepared in accordance with standard IAS 34 Interim Financial Reporting.

The Interim financial report does not contain full notes and other information presented in the financial statements, and therefore the Interim financial report should be read in conjunction with the Financial statements published for 2021.

Raute Corporation's Interim financial report for January 1–March 31, 2022 has been prepared in accordance with the International Financial Reporting Standards, IFRS, accepted for application in the European Union, including related interpretations. The Interim financial report has been drawn up according to the same accounting principles as in the consolidated financial statements for 2021.

When preparing the Interim financial report in compliance with International Financial Reporting Standards, the company management has made estimates and assumptions. In addition, the management has exercised its judgment in selecting and applying the accounting policies. The forward-looking estimates and assumptions 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.

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

Standards for future periods will not be expected to have a significant impact on Raute Corporation's Consolidated financial statements

Net sales

Raute serves the wood products industry with a full-service concept based on service that encompasses the entire life cycle of the delivered equipment. Raute's business consists of project deliveries and technology services. Project deliveries encompass projects from individual machine or production line deliveries to deliveries of all the machines and equipment belonging to a mill's production process.

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 modernizations related to technology services include both product and service sales, making it impossible to give a reliable presentation of the breakdown of the Group's net sales into purely product and service sales

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 10 percent. At the end of the reporting period, the Group had two customers (2), whose customized share of the Group's net sales temporarily exceeded ten percent.

| EUR 1,000 | 1.1.– 31.3.2022 | % | 1.1.– 31.3.2021 | % | 1.1.– 31.12.2021 | % |
|---------------------------------|--------------------|------------|--------------------|-----|---------------------|-----|
| Net sales by market area | | | | | | |
| CIS (Russia) | 14 419 | 35 | 14 749 | 59 | 69 779 | 49 |
| EMEA (Europe and Africa) | 14 956 | 36 | 4 402 | 18 | 34 851 | 25 |
| NAM (North America) | 8 615 | 21 | 3 453 | 14 | 20 063 | 14 |
| LAM (South America) | 1 720 | 4 | 1 370 | 6 | 7 816 | 5 |
| APAC (Asia-Pacific area) | 1 563 | 4 | 786 | 3 | 9 703 | 7 |
| TOTAL | 41 274 | 100 | 24 759 | 100 | 142 212 | 100 |

Finland accounted for 4 percent (8%) of net sales

| EUR 1,000 | 1.1.– 31.3.2022 | 1.1.– 31.3.2021 | 1.1.– 31.12.2021 |
|---|--------------------|--------------------|---------------------|
| Specification of net sales | | | |
| Performance obligations to be satisfied over time | 32 433 | 17 495 | 102 981 |
| Performance obligations to be satisfied at a point in time | 8 841 | 7 264 | 39 231 |
| TOTAL | 41 274 | 24 759 | 142 212 |
| Project revenues entered as income from performance obligations to be satisfied over time currently undelivered | 167 093 | 108 887 | 140 394 |
| Amount of performance obligations to be satisfied over time not yet entered as income (order book) | 143 523 | 87 791 | 150 786 |
| Balance sheet items of undelivered projects | | | |
| Projects in which the value by percentage of completion exceeds advance payments invoiced | | | |
| - aggregate amount of costs incurred and recognized profits less recognized losses | 86 575 | 79 210 | 62 861 |
| - advance payments received | 61 197 | 58 155 | 47 787 |
| Current customer contract assets | 25 378 | 21 055 | 15 074 |
| Projects in which advance payments invoiced exceed the value by percentage of completion | | | |
| - aggregate amount of costs incurred and recognized profits less recognized losses | 80 031 | 34 174 | 77 096 |
| - advance payments received | 118 918 | 54 475 | 106 910 |
| Current customer contract liabilities | 38 887 | 20 301 | 29 814 |
| Advance payments included in current liabilities in the balance sheet | | | |
| Current customer contract assets | 38 887 | 20 301 | 29 814 |
| Current customer contract liabilities | 7 762 | 4 182 | 3 950 |
| Total | 46 649 | 24 483 | 33 764 |
| Advance payments of the customer contracts included in inventories in the balance sheet | | | |
| Advance payments paid | 5 869 | 1 981 | 6 578 |
| Total | 5 869 | 1 981 | 6 578 |

| EUR 1,000 | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|---|---------------|-----------|------------|
| Research and development costs | | | |
| Research and development costs for the period | -1 453 | -1 298 | -5 257 |
| Amortization of previously capitalized development costs | -72 | - | - |
| Development costs recognized as an asset in the balance sheet | 0 | 94 | 338 |
| Research and development costs recognized as an expense before impairments for the period | -1 526 | -1 204 | -4 919 |
| Impairments of capitalized development costs | - | - | - |
| Research and development costs recognized as an expense for the period | -1 526 | -1 204 | -4 919 |

| EUR 1,000 | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|---|--------------|-----------|------------|
| Right-of-use assets | | | |
| Book value, at the beginning of the period | 10 063 | 5 917 | 5 917 |
| Changes | -1 057 | - | - |
| Exchange rate differences | 134 | -6 | 153 |
| Increases | 24 | 928 | 5 770 |
| Depreciation for the period | -540 | -342 | -1 775 |
| Book value, at the end of the period | 8 624 | 6 496 | 10 063 |

| | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|--|--------------|-----------|------------|
| Goowill | | | |
| Goodwill at the beginning of the period | 1 714 | 1 714 | 1 714 |
| Increases | - | - | 0 |
| Goodwill at the end of the period | 1 714 | 1 714 | 1 714 |

| EUR 1,000 | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|--|----------------|-----------|------------|
| Other intangible assets | | | |
| Acquisition cost at the beginning of the period | 16 144 | 12 492 | 12 492 |
| Exchange rate differences | 0 | 16 | 14 |
| Additions | 1 030 | 651 | 3 474 |
| Reclassification between items | - | - | 163 |
| Acquisition cost at the end of the period | 17 174 | 13 159 | 16 144 |
| Accumulated depreciation and amortization at the beginning of the period | -9 743 | -9 197 | -9 197 |
| Exchange rate differences | 0 | -7 | -26 |
| Reclassification between items | - | - | 0 |
| Depreciation and amortization for the period | -207 | -139 | -520 |
| Accumulated depreciation and amortization at the end of the period | -9 950 | -9 343 | -9 743 |
| Book value of Other intangible assets, at the beginning of the period | 6 400 | 3 295 | 3 295 |
| Book value of Other intangible assets, at the end of the period | 7 223 | 3 816 | 6 400 |
| Property, plant and equipment | | | |
| Acquisition cost at the beginning of the period | 66 456 | 63 635 | 63 635 |
| Changes | -1 078 | - | - |
| Exchange rate differences | 242 | 1 421 | 466 |
| Additions | 329 | 214 | 8 593 |
| Disposals | - | - | -120 |
| Reclassification between items | - | - | -6 118 |
| Acquisition cost at the end of the period | 65 949 | 65 270 | 66 456 |
| Accumulated depreciation and amortization at the beginning of the period | -44 905 | -46 816 | -46 816 |
| Changes | 7 | - | - |
| Exchange rate differences | -59 | -437 | -178 |
| Reclassification between items | -64 | - | 5 895 |
| Depreciation and amortization for the period | -1 007 | -834 | -3 808 |
| Accumulated depreciation and amortization at the end of the period | -46 028 | -48 087 | -44 905 |
| Book value of Property, plant and equipment, at the beginning of the period | 21 552 | 16 820 | 16 820 |
| Book value of Property, plant and equipment, at the end of the period | 19 921 | 17 183 | 21 552 |

Financial assets and liabilities

At the end of the period March 31, 2022, the fair value of the financial assets categorized at fair value hierarchy level 3 was EUR 970 thousand. The item includes the investments in unquoted shares which have been classified as financial assets at fair value through other comprehensive income. Derivative contracts have been classified as financial assets and liabilities at fair value through profit or loss. The fair value of these derivative contracts is based on the price available from the market data, but instruments are not traded in an active market. At the end of the period, the fair value of the derivative contracts classified as financial assets was EUR 92 thousand and the fair value of the derivative contracts classified as financial liability EUR -229 thousand. The Group's interest-bearing liabilities include a lease liability amount of EUR 8,639 thousand due to the adoption of the standard IFRS 16 Leases, at the end of the reporting period.

| EUR 1,000 | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|---|--------------|-----------|------------|
| Financial liabilities | | | |
| Non-current interest-bearing liabilities | | | |
| Lease liabilities | 7 172 | 5 021 | 8 493 |
| TOTAL | 7 172 | 5 021 | 8 493 |
| Current interest-bearing liabilities | | | |
| Partial payments of financial loans | 2 116 | 1 940 | 2 071 |
| Lease liabilities | 1 510 | 1 439 | 1 549 |
| TOTAL | 3 626 | 3 379 | 3 620 |

| EUR 1,000 | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|--|-----------|-----------|------------|
| Derivatives | | | |
| Nominal values of forward contracts in foreign currency | | | |
| Hedge accounting | | | |
| - Related to the hedging of net sales | 7 132 | 1 947 | 1 212 |
| Derivatives which do not meet the criteria of hedge accounting | | | |
| - Related to financing | 0 | 768 | 0 |
| - Related to the hedging of net sales | 0 | 2 566 | 8 052 |
| Fair values of forward contracts in foreign currency | | | |
| Hedge accounting | | | |
| - Related to the hedging of net sales | -215 | 28 | -41 |
| Derivatives which do not meet the criteria of hedge accounting | | | |
| - Related to financing | 0 | -34 | 0 |
| - Related to the hedging of net sales | 0 | 13 | -128 |

| EUR 1,000 | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|--|---------------|-----------|------------|
| Pledged assets and contingent liabilities | | | |
| Mortgage agreements on behalf of subsidiaries | | | |
| Financial loans | 2 116 | 1 940 | 2 071 |
| Other obligations | - | - | - |
| Other credit guarantee arrangements | 2 116 | 1 940 | 2 071 |
| Commercial bank guarantees on behalf of the Parent company and subsidiaries | 20 448 | 16 722 | 15 344 |
| Off-balance sheet leases | | | |
| Rental liabilities maturing within one year | 79 | 61 | 87 |
| Rental liabilities maturing in one to five years | 88 | 14 | 88 |
| Total | 168 | 75 | 175 |

Share-based payments

The company decided to launch a new performance-based, share-value-based, long-term incentive plan, LTI Plan 2022–2024, on February 11, 2022.

Distribution of the profit for the financial year 2021

Raute Corporation's Annual General Meeting was held on March 31, 2022. The Annual General Meeting decided according to the proposal of the Board of Directors that no dividend be paid for the financial year 2021 by a resolution of the Annual General Meeting and that the distributable assets be transferred to equity. The Annual General Meeting decided, however, to authorize the Board of Directors to decide, at its discretion, on the payment of a total dividend of no more than EUR 0.80 per share for series A and K shares. The authorization will be valid until the beginning of the company's following Annual General Meeting.

Segment information

Continuing operations of Raute Group belong to the wood products technology segment. Raute Corporation's Board of Directors is the chief operating decision maker that is responsible for assigning resources to the operating segment and assessing its result.

Due to Raute's business model, operational nature and administrative structure, the operational segment to be reported as wood products technology segment is comprised of the whole Group and the information on the segment is consistent with that of the Group. Segment reporting follows the principles of presentation of the consolidated financial statements.

| EUR 1,000 | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|---------------------------------|-----------|-----------|------------|
| Wood products technology | | | |
| Net sales | 41 274 | 24 759 | 142 212 |
| Operating profit | -1 478 | -2 753 | -2 244 |
| Assets | 121 778 | 92 621 | 110 676 |
| Liabilities | 88 925 | 59 157 | 76 612 |
| Capital expenditure | 1 359 | 865 | 6 297 |

| EUR 1,000 | 31.3.2022 | % | 31.3.2021 | % | 31.12.2021 | % |
|--|----------------|------------|---------------|------------|----------------|------------|
| Assets of the wood products technology segment by geographical location | | | | | | |
| Finland | 94 332 | 77 | 71 993 | 77 | 82 413 | 74 |
| North America | 12 944 | 11 | 12 668 | 14 | 15 903 | 14 |
| China | 12 354 | 10 | 6 684 | 7 | 9 772 | 9 |
| Russia | 1 518 | 1 | 1 783 | 2 | 1 916 | 2 |
| South America | 306 | 0 | 123 | 0 | 297 | 0 |
| Other | 324 | 0 | 550 | 1 | 374 | 0 |
| Total | 121 778 | 100 | 93 801 | 100 | 110 675 | 100 |

| EUR 1,000 | 31.3.2022 | % | 31.3.2021 | % | 31.12.2021 | % |
|---|--------------|------------|--------------|------------|--------------|------------|
| Capital expenditure of the wood products technology segment by geographical location | | | | | | |
| Finland | 1 106 | 81 | 1 124 | 100 | 5 308 | 84 |
| North America | 8 | 1 | - | 0 | 215 | 3 |
| China | 245 | 18 | - | 0 | 756 | 12 |
| Russia | 0 | 0 | - | 0 | 11 | 0 |
| South America | - | 0 | 3 | 0 | 5 | 0 |
| Other | - | 0 | - | 0 | 2 | 0 |
| Total | 1 359 | 100 | 1 127 | 100 | 6 297 | 100 |

| | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|---|-----------|-----------|------------|
| Number of personnel | | | |
| Effective, on average, persons | 819 | 757 | 780 |
| On average, persons | 827 | 765 | 788 |
| In books at the end of the period, persons | 821 | 781 | 802 |
| Personnel working abroad at the end of the period | 270 | 253 | 255 |
| Personnel working abroad, % | 32,9 | 32,4 | 31,8 |

Pledges on behalf of the company's management

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.

Exchange rates used in the consolidation of subsidiaries

| | 1.1.– 31.3.2022 | 1.1.– 31.3.2021 | 1.1.– 31.12.2021 |
|--------------------------------|--------------------|--------------------|---------------------|
| Income statement, euros | | | |
| CNY (Chinese yuan) | 7,1265 | 7,8134 | 7,6347 |
| RUB (Russian rouble) | 88,8777 | 89,7335 | 87,2392 |
| CAD (Canadian dollar) | 1,4218 | 1,5275 | 1,4836 |
| USD (US dollar) | 1,1225 | 1,2056 | 1,1835 |
| SGD (Singapore dollar) | 1,5177 | 1,6059 | 1,589692 |
| CLP (Chilean peso) | 909,2433 | 873,49 | 897,3633 |
| Balance sheet, euros | | | |
| CNY (Chinese yuan) | 7,0403 | 7,6812 | 7,1947 |
| RUB (Russian rouble) | 91,187 | 88,3175 | 85,3004 |
| CAD (Canadian dollar) | 1,3896 | 1,4782 | 1,4393 |
| USD (US dollar) | 1,1101 | 1,1725 | 1,1326 |
| SGD (Singapore dollar) | 1,5028 | 1,5768 | 1,5279 |
| CLP (Chilean peso) | 878,04 | 857,7700 | 964,4400 |

FINANCIAL DEVELOPMENT

| FINANCIAL DEVELOPMENT | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|---|-----------|-----------|------------|
| Change in net sales, % | 66,8 | 4,1 | 23,7 |
| Exported portion of net sales, % | 96,2 | 92,4 | 91,8 |
| Operating result, % of net sales | -3,6 | -11,1 | -1,6 |
| Return on investment, (ROI), % | -5,4 | -22,8 | -2,7 |
| Return on equity, (ROE), % | -14,6 | -29,7 | -4,8 |
| Interest-bearing net liabilities, EUR million | -6,2 | -2,4 | -12,2 |
| Gearing, % | -18,8 | -7,3 | -35,9 |
| Equity ratio, % | 43,7 | 49,1 | 44,3 |
| Gross capital expenditure, EUR million | 1,4 | 1,1 | 6,3 |
| % of net sales | 3,4 | 4,6 | 4,4 |
| Research and development costs, EUR million | 1,5 | 1,2 | 4,9 |
| % of net sales | 3,6 | 4,9 | 3,5 |
| Order book, EUR million | 152 | 98 | 158 |
| Order intake, EUR million | 36 | 30 | 203 |

In addition to IFRS Key ratios, Raute Group publishes some commonly used financial key ratios (alternative performance measures). Calculation of key ratios has been presented in the annual financial statements.

| SHARE-RELATED DATA | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|---|------------------|------------------|------------------|
| Earnings per share, (EPS), undiluted, EUR | -0,29 | -0,65 | -0,42 |
| Earnings per share, (EPS), diluted, EUR | -0,29 | -0,65 | -0,42 |
| Equity to share, EUR | 7,71 | 7,85 | 8,12 |
| Dividend per series A share, EUR | - | - | 0-0,80* |
| Dividend per series K share, EUR | - | - | 0-0,80* |
| Dividend per profit, % | - | - | 0- -190,5* |
| Effective dividend return, % | - | - | 0-4,0* |
| Price/earnings ratio (P/E ratio) | - | - | -47,14 |
| The Annual General Meeting authorized the Board of Directors to decide on the payment of a total dividend of no more than EUR 0.80 per share for series A and K shares. | | | |
| Development in share price (series A shares) | | | |
| Lowest share price for the period, EUR | 12,15 | 20,90 | 19,50 |
| Highest share price for the period, EUR | 20,40 | 23,90 | 24,90 |
| Average share price for the period, EUR | 16,52 | 22,62 | 22,28 |
| Share price at the end of the period, EUR | 17,30 | 22,80 | 19,80 |
| Market value of capital stock | | | |
| - Series K shares, EUR million** | 17,1 | 22,6 | 19,6 |
| - Series A shares, EUR million | 56,6 | 74,6 | 64,8 |
| Total, EUR million | 73,8 | 97,2 | 84,4 |
| *Series K shares valued at the value of series A shares. | | | |
| Trading of the company's shares (series A shares) | | | |
| Trading of shares, pcs | 200 913 | 167 229 | 591 208 |
| Trading of shares, EUR million | 3,3 | 14,0 | 13,2 |
| Number of shares | | | |
| - Series K shares, ordinary shares (20 votes/share) | 991 161 | 991 161 | 991 161 |
| - Series A shares (1 vote/share) | 3 272 033 | 3 272 033 | 3 272 033 |
| Total | 4 263 194 | 4 263 194 | 4 263 194 |
| Number of shares, weighted average, 1 000 pcs | 4 263 | 4 263 | 4 263 |
| Number of shares, diluted, 1 000 pcs | 4 263 | 4 263 | 4 263 |
| Number of shareholders | 5 989 | 6 108 | 6 009 |

DEVELOPMENT OF QUARTERLY RESULTS

DEVELOPMENT OF QUARTERLY RESULTS

| EUR 1,000 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Rolling 1.4.2021– 31.3.2022 | Rolling 1.4.2020– 31.3.2021 |
|--|--------------------|--------------------|--------------------|--------------------|--|--|
| NET SALES | 35 453 | 37 900 | 44 100 | 41 274 | 158 727 | 115 975 |
| Change in inventories of finished goods and | 904 | -3 787 | -343 | -617 | -3 843 | 4 743 |
| Other operating income | 11 | 22 | 236 | -1 | 268 | 285 |
| Materials and services | -19 649 | -18 187 | -23 866 | -23 864 | -85 566 | -66 438 |
| Employee benefits expense | -12 358 | -8 435 | -12 424 | -12 097 | -45 314 | -39 201 |
| Depreciation, amortization and impairments | -1 110 | -1 096 | -1 136 | -1 248 | -4 590 | -4 050 |
| Other operating expenses | -4 984 | -4 691 | -6 051 | -4 925 | -20 651 | -13 777 |
| Total operating expenses | -38 100 | -32 409 | -43 480 | -42 135 | -156 124 | -123 466 |
| OPERATING PROFIT | -1 732 | 1 726 | 516 | -1 478 | -968 | -2 464 |
| % of net sales | -4,9 | 4,6 | 1,2 | -3,6 | -0,6 | -2,1 |
| Financial income | 541 | 74 | 176 | 872 | 1 663 | 773 |
| Financial expenses | -175 | -72 | -111 | -552 | -910 | -535 |
| Financial expenses, net | 366 | 2 | 65 | 320 | 753 | 238 |
| PROFIT BEFORE TAX | -1 366 | 1 728 | 581 | -1 158 | -215 | -2 226 |
| % of net sales | -3,9 | 4,6 | 1,3 | -2,8 | -0,1 | -1,9 |
| Income taxes | 391 | -526 | 169 | -60 | -26 | -54 |
| TOTAL PROFIT FOR THE PERIOD | -975 | 1 202 | 750 | -1 218 | -241 | -2 280 |
| % of net sales | -2,8 | 3,2 | 1,7 | -3,0 | -0,2 | -2,0 |
| Attributable to | | | | | | |
| Equity holders of the Parent company | -975 | 1 202 | 750 | -1 218 | -241 | -2 280 |
| Earnings per share, EUR | | | | | | |
| Undiluted earnings per share | -0,23 | 0,28 | 0,18 | -0,29 | -0,06 | -0,53 |
| Diluted earnings per share | -0,23 | 0,28 | 0,18 | -0,29 | -0,06 | -0,53 |
| Shares, 1 000 pcs | | | | | | |
| Adjusted average number of shares | 4 263 | 4 263 | 4 263 | 4 263 | 4 263 | 4 263 |
| Adjusted average number of shares, diluted | 4 263 | 4 263 | 4 263 | 4 263 | 4 263 | 4 263 |
| FINANCIAL DEVELOPMENT QUARTERLY | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Rolling 1.4.2021– 31.3.2022 | Rolling 1.4.2020– 31.3.2021 |
| Order intake during the period, EUR million | 65 | 58 | 50 | 36 | 209 | 124 |
| Order book at the end of the period, EUR million | 129 | 150 | 158 | 152 | 152 | 98 |

SHAREHOLDERS

20 LARGEST SHAREHOLDERS AT MARCH 31, 2022 BY NUMBER OF SHARES

| | Number of series K shares | Number of series A shares | Total number of shares | % of total shares | Total number of votes | % of voting rights |
|--|---------------------------------|---------------------------------|------------------------------|-------------------------|-----------------------------|--------------------------|
| 1. Sundholm Göran | - | 500 000 | 500 000 | 11,7 | 500 000 | 2,2 |
| 2. Laakkonen Mikko Kalervo | - | 119 919 | 119 919 | 2,8 | 119 919 | 0,5 |
| 3. Suominen Pekka Matias | 48 000 | 62 429 | 110 429 | 2,6 | 1 022 429 | 4,4 |
| 4. Mandatum Henkivakuutus- osakeyhtiö | - | 108 257 | 108 257 | 2,5 | 108 257 | 0,5 |
| 5. Siivonen Osku Pekka | 50 640 | 53 539 | 104 179 | 2,4 | 1 066 339 | 4,6 |
| 6. Kirmo Kaisa Marketta | 55 680 | 48 341 | 104 021 | 2,4 | 1 161 941 | 5,0 |
| 7. Suominen Tiina Sini-Maria | 48 000 | 50 491 | 98 491 | 2,3 | 1 010 491 | 4,4 |
| 8. Keskiaho Kaija Leena | 33 600 | 51 116 | 84 716 | 2,0 | 723 116 | 3,1 |
| 9. Mustakallio Mika Tapani | 62 100 | 21 170 | 83 270 | 2,0 | 1 263 170 | 5,5 |
| 10. Särkijärvi Anna Riitta | 60 480 | 22 009 | 82 489 | 1,9 | 1 231 609 | 5,3 |
| 11. Mustakallio Kari Pauli | 60 480 | - | 60 480 | 1,4 | 1 209 600 | 5,2 |
| 12. Mustakallio Marja Helena | 46 740 | 12 547 | 59 287 | 1,4 | 947 347 | 4,1 |
| 13. Särkijärvi Anu Riitta | 12 000 | 43 256 | 55 256 | 1,3 | 283 256 | 1,2 |
| 14. Särkijärvi Timo Juha | 12 000 | 43 256 | 55 256 | 1,3 | 283 256 | 1,2 |
| 15. Mustakallio Ulla Sinikka | 47 740 | 5 946 | 53 686 | 1,3 | 960 746 | 4,2 |
| 16. Suominen Jukka Matias | 24 960 | 27 964 | 52 924 | 1,2 | 527 164 | 2,3 |
| 17. Keskinäinen työeläke- vakuutusyhtiö Varma | - | 51 950 | 51 950 | 1,2 | 51 950 | 0,2 |
| 18. Relander Pär-Gustaf | - | 51 000 | 51 000 | 1,2 | 51 000 | 0,2 |
| 19. Suominen Jussi | 48 000 | - | 48 000 | 1,1 | 960 000 | 4,2 |
| 20. Keskiaho Ilta Marjaana | 24 780 | 19 094 | 43 874 | 1,0 | 514 694 | 2,2 |
| Total | 635 200 | 1 292 284 | 1 927 484 | 45,2 | 13 996 284 | 60,6 |

20 LARGEST SHAREHOLDERS AT MARCH 31, 2022 BY NUMBER OF VOTES

| | Number of series K shares | Number of series A shares | Total number of shares | % of total shares | Total number of votes | % of voting rights |
|--------------------------------|---------------------------------|---------------------------------|------------------------------|-------------------------|-----------------------------|--------------------------|
| 1. Mustakallio Mika Tapani | 62 100 | 21 170 | 83 270 | 2,0 | 1 263 170 | 5,5 |
| 2. Särkijärvi Anna Riitta | 60 480 | 22 009 | 82 489 | 1,9 | 1 231 609 | 5,3 |
| 3. Mustakallio Kari Pauli | 60 480 | - | 60 480 | 1,4 | 1 209 600 | 5,2 |
| 4. Kirmo Kaisa Marketta | 55 680 | 48 341 | 104 021 | 2,4 | 1 161 941 | 5,0 |
| 5. Siivonen Osku Pekka | 50 640 | 53 539 | 104 179 | 2,4 | 1 066 339 | 4,6 |
| 6. Suominen Pekka Matias | 48 000 | 62 429 | 110 429 | 2,6 | 1 022 429 | 4,4 |
| 7. Suominen Tiina Sini-Maria | 48 000 | 50 491 | 98 491 | 2,3 | 1 010 491 | 4,4 |
| 8. Mustakallio Ulla Sinikka | 47 740 | 5 946 | 53 686 | 1,3 | 960 746 | 4,2 |
| 9. Suominen Jussi | 48 000 | - | 48 000 | 1,1 | 960 000 | 4,2 |
| 10. Mustakallio Marja Helena | 46 740 | 12 547 | 59 287 | 1,4 | 947 347 | 4,1 |
| 11. Keskiaho Kaija Leena | 33 600 | 51 116 | 84 716 | 2,0 | 723 116 | 3,1 |
| 12. Mustakallio Hanna Leena | 32 975 | 5 565 | 38 540 | 0,9 | 665 065 | 2,9 |
| 13. Mustakallio Jukka Jeremias | 32 975 | - | 32 975 | 0,8 | 659 500 | 2,9 |
| 14. Keskiaho Vesa Heikki | 29 680 | - | 29 680 | 0,7 | 593 600 | 2,6 |
| 15. Keskiaho Juha-Pekka | 27 880 | 5 716 | 33 596 | 0,8 | 563 316 | 2,4 |
| 16. Suominen Jukka Matias | 24 960 | 27 964 | 52 924 | 1,2 | 527 164 | 2,3 |
| 17. Keskiaho Ilta Marjaana | 24 780 | 19 094 | 43 874 | 1,0 | 514 694 | 2,2 |
| 18. Sundholm Göran | - | 500 000 | 500 000 | 11,7 | 500 000 | 2,2 |
| 19. Kultanen Leea Annikka | 21 595 | 8 031 | 29 626 | 0,7 | 439 931 | 1,9 |
| 20. Piik Ari Aarne Juhani | 20 855 | 418 | 21 273 | 0,5 | 417 518 | 1,8 |
| Total | 777 160 | 894 376 | 1 671 536 | 39,2 | 16 437 576 | 71,2 |

MANAGEMENT'S SHAREHOLDING AND NOMINEE-REGISTERED SHARES

| | Number of series K shares | Number of series A shares | Total number of shares | % of total shares | Total number of votes | % of voting rights |
|---|---------------------------------|---------------------------------|------------------------------|-------------------------|-----------------------------|--------------------------|
| Management's holding at March 31, 2022 | | | | | | |
| The Board of Directors, The Group's President and CEO and Executive Board* | 127 890 | 128 169 | 256 059 | 6,0 | 2 685 969 | 11,6 |
| Total | 127 890 | 128 169 | 256 059 | 6,0 | 2 685 969 | 11,6 |

*The figures include the holdings of their own, minor children and control entities.

| | | | | | | |
|--|----------|---------------|---------------|------------|---------------|------------|
| Nominee-registered shares at March 31, 2022 | - | 87 086 | 87 086 | 2,0 | 87 086 | 0,4 |
|--|----------|---------------|---------------|------------|---------------|------------|

RAUTE CORPORATION
Board of Directors

BRIEFING ON APRIL 29, 2022 AT 2 P.M.:

A briefing will be organized for analysts, investors and the media on April 29, 2022 at 2 p.m. at Scandic Simonkenttä Hotel, Tapiola cabinet, Simonkatu 9, Helsinki. President and CEO Tapani Kiiski will present the interim report. The event will also be attended by CFO Tarja Järvinen and Petri Strengell who has been appointed as the interim President and CEO effective May 1, 2022. The event can also be watched online via Teams. We will send a Teams link to those who have registered by email; registrations at ir@raute.com. The event will be recorded, and the recording can be viewed on Raute's website www.raute.com later on the same day, April 29, 2022.

NEXT INTERIM REPORT:

Raute Corporation's half-year report for January 1–June 30, 2022 will be published on Friday, July 22, 2022.

FURTHER INFORMATION:

Mr. Tapani Kiiski, President and CEO, Raute Corporation, mobile phone +358 400 814 148

Ms. Tarja Järvinen, Executive Vice President, Finance, CFO, Raute Corporation, mobile phone +358 40 658 3562

DISTRIBUTION:

Nasdaq Helsinki Ltd, main media, www.raute.com

RAUTE IN BRIEF:

Raute is a technology and service company that operates worldwide. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood, LVL (Laminated Veneer Lumber) and sawn timber. Its technology offering covers the entire production process for veneer, plywood and LVL and special measurement equipment for sawn timber. As a supplier of mill-scale projects, Raute is a global market leader both in the plywood and LVL industries. Additionally, Raute's full-service concept includes technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations. Raute's head office is located in Lahti, Finland. The company's other production plants are located in Kajaani, Finland, the Vancouver area of Canada, the Shanghai/Changzhou area of China and in Pullman, Washington, USA. Raute's net sales in 2021 were EUR 142.2 million. The Group's headcount at the end of 2021 was 802. More information about the company can be found at www.raute.com.



Raute Corporation

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