

HALF-YEAR FINANCIAL REPORT

January 1–June 30, 2025

Half-year Financial Report January 1–June 30, 2025:

PROFITABILITY CONTINUED TO INCREASE, BUSINESS ENVIRONMENT REMAINED UNCERTAIN

April–June 2025 in brief

- Order intake was EUR 12 million (20)
- Order book was EUR 115 million (223) at the end of the reporting period
- Net sales were EUR 43.8 million (57.1)
- Comparable EBITDA was EUR 6.5 million (5.4), representing 14.7% (9.4) of net sales
- Comparable operating profit was EUR 4.9 million (4.1)
- Items affecting comparability totaled EUR 3.0 million, of which EUR 2.0 million were items impacting EBITDA and EUR 1.0 million were items booked as impairments below EBITDA impacting operating profit. These were mainly related to the closure of a factory in China
- Operating profit was EUR 1.9 million (3.9)
- Comparable earnings per share were EUR 0.68 (0.57)
- Earnings per share were EUR 0.19 (0.56)
- Equity ratio was 60.0% (48.5) at the end of the reporting period

January–June 2025 in brief

- Order intake was EUR 27 million (56)
- Net sales were EUR 95.7 million (101.7)
- Comparable EBITDA was EUR 13.9 million (8.4), representing 14.5% (8.2) of net sales
- Comparable operating profit was EUR 10.9 million (5.7)
- Operating profit was EUR 7.8 million (5.4)
- Comparable earnings per share were EUR 1.39 (0.79)
- Earnings per share were EUR 0.88 (0.76)

Guidance statement for 2025

Raute's 2025 net sales are expected to be between EUR 190–220 million and comparable EBITDA between EUR 20–27 million.

KEY FIGURES (MEUR)	Q2/2025	Q2/2024	Change %	H1/2025	H1/2024	Change %	2024
Net sales	43.8	57.1	-23.3	95.7	101.7	-6.0	204.6
Exported portion of net sales, %	54.9	85.2		56.1	88.8		84.3
Comparable EBITDA	6.5	5.4	20.0	13.9	8.4	65.3	19.8
Comparable EBITDA %	14.7	9.4		14.5	8.2		9.7
EBITDA	4.5	5.3	-15.1	11.7	8.1	44.6	19.1
EBITDA %	10.2	9.2		12.3	8.0		9.3
Comparable operating profit	4.9	4.1	20.2	10.9	5.7	91.9	14.4
Comparable operating profit, %	11.2	7.1		11.4	5.6		7.0
Operating profit	1.9	3.9	-51.2	7.8	5.4	44.0	13.7
Operating profit, %	4.4	6.9		8.1	5.3		6.7
Net result	1.2	3.4	-65.1	5.4	4.7	15.8	12.1
Comparable EPS, EUR	0.68	0.57	19.3	1.39	0.79	75.9	2.05
EPS, EUR	0.19	0.56	-66.1	0.88	0.76	15.8	1.96
EPS (diluted), EUR	0.19	0.54	-64.8	0.86	0.74	16.2	1.91
Adjusted avg. no. of shares, 1000 pcs	5 995	6 028		6 009	6 028		6 027
Adjusted avg. no. of shares, diluted, 1000 pcs	6 023	6 325		6 313	6 327		6 350
Return on investment, (ROI), %				32.6	25.1		30.9
Return on equity, (ROE), %				21.8	23.2		27.5
Interest-bearing net liabilities				-28.6	-31.1		-51.9
Equity ratio, %				60.0	48.5		55.2
Gearing, %				-57.0	-73.1		-104.4
Gross capital expenditure	1.0	0.6	70.6	1.7	1.0	68.0	2.8
% of net sales	2.3	1.0		1.8	1.0		1.4
Research and development costs	1.4	1.4	1.4	2.8	2.8	-0.9	5.3
% of net sales	3.2	2.5		2.9	2.7		2.6
Order book				115	223	-48.2	184
Order intake	12	20	-41.3	27	56	-51.3	121
Personnel, at the end of the period				766	798	-4.0	783
Personnel, effective, on average	748	741	0.9	754	745	1.2	740

CEO's Review

We continued our strong operational execution in the second quarter of 2025, further demonstrating our enhanced capabilities to operate successfully in a challenging business environment. Raute's comparable EBITDA reached EUR 6.5 million, representing a margin of 14.7% on net sales of EUR 44 million. This is also a significant milestone, marking the first time we have exceeded on a rolling 12-month basis our long-term target of a 12% comparable EBITDA margin. All three business segments are making positive contributions to Raute's financial performance.

While net sales were below the comparison period, primarily due to typical revenue recognition fluctuations, I am particularly pleased with our ability to achieve strong profitability even with reduced volumes. We have continued to deliver projects successfully and on schedule. This strong execution, coupled with the significant efficiency improvements and supply chain optimizations we have implemented, is clearly bearing fruit.

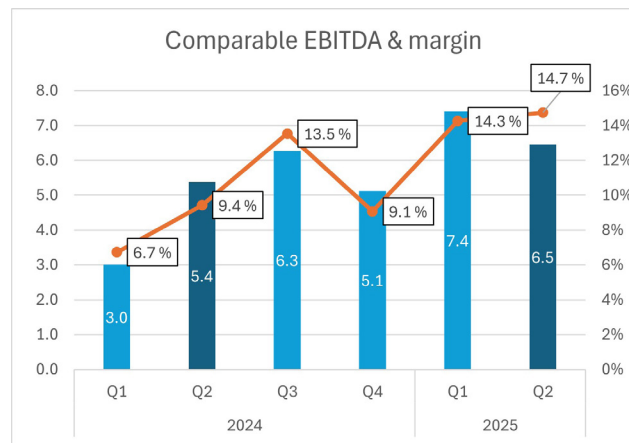
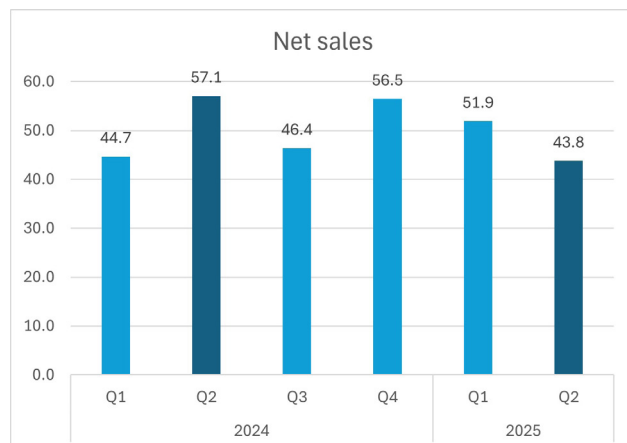
Raute's business environment remained challenging in the reporting period, with customers deferring investment decisions amidst heightened global trade and tariff uncertainties. Consequently, our order intake was very low, and it was primarily related to the Services business, which has remained relatively resilient even in the current market environment. While commercial discussions in the Wood Processing and

Analyzers businesses were reactivated towards the end of the quarter, this was not yet realized as new orders. However, we believe that demand will improve in the second half of 2025 and during 2026.

Regardless of the market environment, we are determined to proactively safeguard our margins and enhance our global competitiveness, both in the short and longer term. Accordingly, we introduced short-term measures to adjust our production capacity, as well as long-term decision to close our production unit in China during the quarter. The closure of the China production unit is a strategic step in the broader restructuring of our global manufacturing network, designed to cluster production resources more cost-effectively and increase flexibility.

During the first half of the year we have also reviewed our strategy launched in early 2023 and concluded that the overall strategy and targets for 2028 remain valid. Looking ahead, I am particularly pleased with the significant improvements in our operational and commercial capabilities. This gives me confidence in our ability to navigate through different business cycles.

Mika Saariaho
President and CEO



BUSINESS ENVIRONMENT JANUARY-JUNE 2025

The global business environment was very turbulent in the first half of the year due to many different reasons in various market areas. We estimate that this general turbulence has affected the demand for our customers' end products.

The prolonged recession in the construction industry, which is the main user of veneer-based end products, continued globally. However, signs of an improvement in construction activity were observed in the second quarter of the year, for example, in Europe (Eurostat, June 2025). In North America, housing construction starts increased significantly in Canada during the second quarter after a sluggish start to the year (Canada Mortgage and Housing Corporation). In the United States, on the other hand, housing start-ups continued to decline moderately compared to the previous year. (U.S. Census Bureau).

After a prolonged recession, a slight pick-up in end-product demand was visible, especially in Europe. Demand for birch plywood and LVL remained stable. The increase in prices caused by the low availability of logs affected the profitability of some of our customers, although this was at least partially compensated by price increases in the end products.

Uncertainty related to U.S. import tariffs paralyzed our customers' investment decisions in the first half of the year in North and South America, as well as for those manufacturers in Asia that have traditionally relied on the U.S. as an export market. In addition, the increasing geopolitical tensions in the Asia-Pacific region were also reflected in the uncertainty of our customers in the first half of the year. The ongoing war in Ukraine in Europe, combined with the uncertain customs policy of the United States, has also slowed down decision-making, although we estimate that some of our European customers are already preparing for the market to become more active.

Order intake and order book

April-June 2025

Raute's order intake was EUR 12 million (20) during the second quarter, mainly including after-sales services and spare parts orders. The order book amounted to EUR 115 million (223) at the end of the period.

Order intake is composed of 44% (48) from Europe, 35% (35) from North America, 6% (10) from Asia-Pacific, and 15% (7) from South America. Strong fluctuation in the distribution of new orders between the various markets and quarters is typical for a project-focused business. The majority of the new orders were after sales and service related.

January-June 2025

Raute's order intake was EUR 27 million (56), mainly including after-sales services and spare parts orders. Order intake is composed of 46% (66) from Europe, 37% (20) from North America, 5% (7) from Asia-Pacific, and 12% (7) from South America.

GROUP FINANCIAL PERFORMANCE APRIL-JUNE 2025

Net sales

Net sales amounted to EUR 43.8 million (57.1), showing a decrease of 23.3% from the comparison period. The decline was mainly due to the typical quarterly fluctuations in revenue recognition. Net sales were supported by the continued solid progress in project deliveries from the existing order book.

Net sales decreased by 27.3% in Wood Processing, 7.4% in Services and 22.8% in Analyzers.

Europe accounted for 75% (46) of net sales, North America for 16% (25), South America for 6% (27), and Asia-Pacific for 3% (2).

Result and profitability

Comparable EBITDA was EUR 6.5 million (5.4) and the comparable EBITDA margin was 14.7% (9.4). The increase was driven by strong operational execution and improved efficiency.

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

EBITDA was EUR 4.5 million (5.3). Items affecting comparability (IACs) in EBITDA totaled EUR -2.0 million (-0.1) and included mainly restructuring costs and provisions related to the closure of the production unit in Changzhou, China.

The operating profit was EUR 1.9 million (3.9). Items affecting comparability (IAC) in EBIT totaled EUR -3.0 million (-0.1), including impairments, as well as restructuring costs and provisions related to the closure of the production unit in Changzhou, China.

Comparable operating profit was EUR 4.9 million (4.1), representing 11.2% (7.1) of sales.

Net financial items were EUR 0.4 million (0.6).

The result before taxes was EUR 2.3 million (4.6). The result for the reporting period was EUR 1.2 million (3.4), earnings per share were EUR 0.19 (0.56), and diluted earnings per share were EUR 0.19 (0.54). Comparable earnings per share were EUR 0.68 (0.57).

GROUP FINANCIAL PERFORMANCE JANUARY-JUNE 2025

Net sales

Net sales amounted to EUR 95.7 million (101.7), showing a decrease of 6.0% from the comparison period, which was driven by the decline in the second quarter. Net sales were supported by the continued solid progress in project deliveries from the existing order book.

Net sales decreased by 7.4% in Wood Processing, 2.1% in Services, and 3.2% in Analyzers.

Europe accounted for 75% (43) of net sales, North America for 17% (25), South America for 5% (29), and Asia-Pacific for 3% (3).

Result and profitability

Comparable EBITDA was EUR 13.9 million (8.4) and the comparable EBITDA margin was 14.5% (8.2). The increase was driven by strong operational execution and improved efficiency.

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

EBITDA was EUR 11.7 million (8.1). Items affecting comparability (IACs) in EBITDA totaled EUR -2.1 million (-0.3) and included mainly restructuring costs and provisions related to the closure of the production unit in Changzhou, China.

The operating profit was EUR 7.8 million (5.4). Items affecting comparability in EBIT totaled EUR -3.1 million (-0.3), including mainly impairments, as well as restructuring costs and provisions related to the closure of the production unit in Changzhou, China.

Comparable operating profit was EUR 10.9 million (5.7), representing 11.4% (5.6) of sales.

Net financial items were EUR 0.3 million (0.8).

The result before taxes was EUR 8.1 million (6.2). The result for the reporting period was EUR 5.4 million (4.7), earnings per share were EUR 0.88 (0.76), and diluted earnings per share were EUR 0.86 (0.74). Comparable earnings per share were EUR 1.39 (0.79).

CASH FLOW AND FINANCIAL POSITION

Operating cash flow in January–June 2025 was EUR -18.4 million (-8.5). The cash flow was negatively impacted by a change in net working capital. Strong fluctuations in net working capital are typical in the project business. Cash flow from investment activities totaled EUR -1.7 million (-0.8), and cash flow from financing activities was EUR -5.6 million (-1.5). Cash and cash equivalents amounted to EUR 31.6 million (37.3) at the end of the reporting period.

The Group's financial position has remained strong in January–June 2025. At the end of the reporting period, gearing was -57.0% (-73.1) and the equity ratio was 60.0% (48.5).

Interest-bearing net liabilities amounted to EUR -28.6 million (-31.1) at the end of the reporting period.

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

Capital expenditure

Capital expenditure in January–June 2025 totaled EUR 1.7 million (1.0) and accounted for 1.8% (1.0) of net sales.

RESEARCH AND DEVELOPMENT

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

In January–June 2025, the Group's research and development costs amounted to EUR 2.8 million (2.8), representing 2.9% of net sales (2.7).

PERSONNEL AND OCCUPATIONAL SAFETY

At the end of the reporting period, the Group's headcount was 766 (798). Personnel outside of Finland accounted for 27.3% (30.1) of all employees. In full-time-equivalent terms, the average number of employees during the reporting period was 754 (745).

Occupational safety continues to be the focus for the management, and safety-related metrics have demonstrated a longer-term downward trend. In January–June 2025, there were three (five) lost-time injuries. The accident frequency (LTIF, rolling 12 months) was 4.8, decreasing from 7.0 at the end of the comparison period. Raute has an ongoing global multi-year safety program aimed at taking the company's safety culture and performance to the next level.

GOVERNANCE

Annual General Meeting 2025

Raute Corporation's Annual General Meeting (AGM) was held in Lahti on April 15, 2025. The AGM discussed and decided on the matters as well as elected the Board members and auditors set out in the company's Articles of Association and the notice to the Annual General Meeting 2025.

The AGM adopted the Financial Statements for the financial year 2024 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2024. The AGM also adopted the Remuneration Report 2024 through an advisory resolution.

Further details and the full release on the resolutions are available on the company's website at [Resolutions of Raute Corporation's Annual General Meeting 2025 - Raute](#).

BUSINESS UNIT REVIEWS

Wood Processing

EUR million	Q2/2025	Q2/2024	Change %	H1/2025	H1/2024	Change %	2024
Net sales	30.4	41.8	-27.3%	68.3	73.8	-7.4%	147.2
Comparable EBITDA	4.2	3.1	33.9%	9.7	4.3	124.6%	11.4
Comparable EBITDA, %	13.7%	7.4%		14.1%	5.9%		7.7%

April–June 2025 compared with April–June 2024

Net sales decreased by 27.3% to EUR 30.4 million (41.8) due to typical fluctuations in revenue recognition in the project business. Net sales were supported by strong progress in the deliveries of the existing order book. The comparison period was exceptionally strong, driven by the rapid execution of several large-scale mill projects.

Comparable EBITDA amounted to EUR 4.2 million (3.1), reflecting excellent efficiency in project deliveries across the supply chain as projects were executed with precision and effectiveness.

January–June 2025 compared with January–June 2024

Net sales decreased by 7.4% to EUR 68.3 million (73.8) due to the decline in the second quarter. Net sales were supported by strong progress in the deliveries of the existing order book.

Comparable EBITDA amounted to EUR 9.7 million (4.3). The improvement was driven by enhanced operational efficiency, supported by consistently excellent project execution across the organization.

Services

EUR million	Q2/2025	Q2/2024	Change %	H1/2025	H1/2024	Change %	2024
Net sales	9.9	10.7	-7.4%	20.2	20.6	-2.1%	42.1
Comparable EBITDA	1.9	1.8	6.6%	3.5	3.7	-4.9%	6.9
Comparable EBITDA, %	19.4%	17.0%		17.4%	18.0%		16.4%

April–June 2025 compared with April–June 2024

Net sales decreased by 7.4% to EUR 9.9 million (10.7). Demand for services remained at a stable level apart from small upgrading projects, which were lower mainly due to the current uncertain market situation.

Comparable EBITDA was EUR 1.9 million (1.8). Profitability increased due to somewhat lower operational costs.

January–June 2025 compared with January–June 2024

Net sales decreased by 2.1% to EUR 20.2 million (20.6). Demand for services remained at a reasonable level despite the current uncertain market situation. Demand for small upgrading projects slowed significantly, with the largest slowdown in North America, primarily due to tariff uncertainties.

Comparable EBITDA was EUR 3.5 million (3.7). Profitability decreased due to somewhat higher share of cost allocations from the Group.

Analizers

EUR million	Q2/2025	Q2/2024	Change %	H1/2025	H1/2024	Change %	2024
Net sales	3.5	4.5	-22.8%	7.2	7.4	-3.2%	15.3
Comparable EBITDA	0.4	0.5	-24.0%	0.7	0.4	70.0%	1.5
Comparable EBITDA, %	10.9%	10.1%		9.5%	4.8%		10.0%

April-June 2025 compared with April-June 2024

Net sales decreased by 22.8% to EUR 3.5 million (4.5). The decrease was due to a weak order intake, especially in North America.

Comparable EBITDA was EUR 0.4 million (0.5) as the impact from lower net sales was partly mitigated by operational cost savings.

January-June 2025 compared with January-June 2024

Net sales decreased by 3.2% to EUR 7.2 million (7.4). The decrease was due to a weak order intake, particularly in the second quarter.

Comparable EBITDA was EUR 0.7 million (0.4) following efficient project execution and cost savings from fixed costs.

STOCK EXCHANGE AND PRESS RELEASES DURING JANUARY-JUNE

Date	Release
January 8, 2025	Hiottu Oy has merged into Raute Corporation
January 10, 2025	Charges against a member of the Board of Directors of Raute in a Ramirent Oyj related matter have been dropped
January 23, 2025	Proposals of the Shareholders' Nomination Board to Raute Corporation's Annual General Meeting 2025
February 13, 2025	Raute Corporation initiates share repurchase program
February 19, 2025	Long-term incentive plan established for Raute's senior management and selected key persons
March 18, 2025	Raute's Financial Statements and Annual Report for 2024 have been published
March 18, 2025	Notice to the Annual General Meeting of Raute Corporation
April 15, 2025	Resolutions of Raute Corporation's Annual General Meeting 2025
April 15, 2025	Resolutions of the Constitutive Meeting of the Board of Directors of Raute Corporation
April 25, 2025	Inside information: Positive profit warning – Raute updates its guidance regarding profit
May 28, 2025	Raute to initiate change negotiations on possible temporary layoffs of up to 90 days in the Wood Processing and Analyzers business units in Finland
June 9, 2025	Raute to streamline its global manufacturing network and close its production facility in Changzhou, China

Raute streamlined its global manufacturing network and closed its production facility in Changzhou, China

On June 9, 2025, Raute announced it had decided to close its production unit in Changzhou, China, as part of a broader restructuring of its global manufacturing network. The decision was driven by weak market demand in China, which resulted in profitability challenges at the unit, as well as Raute's plan to concentrate production resources more cost-effectively and increase flexibility in manufacturing.

The decision is in line with Raute's strategic objective to strengthen operational efficiency and secure competitiveness in a changing market environment.

Raute will book an impairment and provisions in the total estimated amount of EUR 3.8 million as items affecting comparability. As a result of these measures, Raute's fixed costs will decrease by approximately EUR 2 million annually.

During the second quarter the impairments and costs related to closure totaled EUR 3.0 million, of which EUR 2.0 million were items impacting EBITDA and EUR 1.0 million were items booked as impairments below EBITDA. The remaining costs are expected to be booked mostly by Q1 2026.

THE EXECUTIVE BOARD

There were no changes in Raute's Executive Board during the review period. The members and their areas of responsibility on June 30, 2025, were:

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.

STRATEGY AND FINANCIAL TARGETS

Raute – Making Wood Matter

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

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

We have integrated sustainability as a fundamental aspect into our operations, balancing economic, social, and environmental considerations in our decision-making processes. Our unwavering principles of safety, ethical conduct, and diversity and inclusion guide us on our journey to generate growth for all our stakeholders with high ESG standards and deliver a lasting positive impact on nature and society.

Raute's 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 of 40% of the Group
- Comparable EBITDA margin 12% on average over cycle
- Capital structure: Equity ratio over 40%

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

SHARES AND SHARE CAPITAL

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

On June 30, 2025, Raute's share capital amounted to EUR 8.3 million, and the total number of shares was 6,122,679 (6,122,679 on December 31, 2024).

The number of shareholders totaled 7,195 at the end of the reporting period (6,533 on December 31, 2024). On June 30, 2025, Raute and its subsidiaries held 148,166 (96,011 on December 31, 2024) own shares corresponding to 2.4% (1.6 on December 31, 2024) of all outstanding shares.

Share trading

Share trading volume in January–June 2025 totaled 901,967 (556,101) shares, corresponding to EUR 14.0 (6.3) million. The highest trading price was EUR 17.70, and the lowest was EUR 12.70. The closing price at the end of the review period was EUR 15.85, and the market value based on the closing price was approximately EUR 96.9 million.

Repurchase of own shares

On February 13, 2025, the Board of Directors of Raute announced it had decided to initiate a share repurchase program based on the authorization received from the Annual General Meeting on April 4, 2024. The repurchase was completed after the reporting period on July 11, 2025.

During the program Raute repurchased a total of 84,450 of its own shares, corresponding to approximately 1.4 % of the total number of shares in the company. The shares were purchased at an average price of EUR 15.9825.

The repurchases reduced Raute's equity by approximately EUR 1.35 million. As a result of the buy-back program, Raute Corporation owns directly a total of 84,450 own shares. The repurchased shares will be cancelled.

The purpose of the share repurchase was to optimize Raute's capital structure through the reduction of capital.

Long-term incentive plans

On February 19, 2025, Raute's Board of Directors decided on the commencement of a long-term incentive plan for the Group's senior management and selected key persons. The decision includes a Performance Share Plan ("PSP") as the main structure and a restricted Share Plan ("RSP") as a complementary structure. More information about the 2025–2027 share-based incentive plan is available in a stock exchange release published on February 19, 2025, and on the company's website.

STOCK EXCHANGE AND PRESS RELEASES AFTER THE REPORTING PERIOD

The share buy-back program has ended

On July 11, 2025, Raute Corporation announced that the share buy-back program initiated in February 2025 had been completed.

KEY BUSINESS RISKS AND NEAR-TERM UNCERTAINTIES

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

Raute is subject to geopolitical and macroeconomic conditions, where significant cost fluctuations and changes in interest rates may give rise to economic downturn. Such a downturn would likely impact Raute's operations and reduce the underlying demand.

Trade tariffs and the possible escalation of a trade war pose a risk for Raute as a company serving customers globally. Raute has production units globally in Europe, the United States and Canada, which reduces the impact of potential trade tariffs.

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

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

Raute is implementing a new company-wide ERP system, which has a direct impact on Raute's daily operations and financial management. The ERP system has been implemented in Finland, while the roll-out continues in Raute's other operating countries in 2025. During the second quarter, the ERP system went live in U.S. as planned. Delays in the roll-out of the system or possible challenges in migrating data to new ERP systems could result in cost overruns for the ERP system implementation, as well as disruptions in the customer delivery projects, leading potentially to deteriorating customer relationships.

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

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

Raute has a strategy and related financial targets that aim for significant growth and profitability improvement by 2028. The company faces the risk that the execution of the strategy is not successful within the set timeline or that the set targets cannot be met. Raute may also experience increasing competitive pressures while executing its strategy.

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

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

RAUTE CORPORATION
Board of Directors

Raute Corporation's Board of Directors has approved this half-year financial report for January 1–June 30, 2025 to be published.

This half-year financial report is unaudited.

CONSOLIDATED STATEMENT OF INCOME

EUR 1,000	Note	Q2/2025	Q2/2024	H1/2025	H1/2024	2024
NET SALES	1	43 780	57 051	95 674	101 735	204 583
Change in inventories of finished goods and work in progress		-3 476	1 270	-3 739	1 748	-1 478
Other operating income		53	10	128	20	123
Materials and services		-17 631	-32 887	-42 570	-55 850	-101 131
Employee benefits expense		-12 032	-15 008	-26 481	-29 130	-59 514
Depreciation, amortization and impairment		-2 534	-1 302	-3 939	-2 703	-5 404
Other operating expenses		-6 235	-5 184	-11 277	-10 405	-23 460
Total operating expenses		-38 432	-54 381	-84 268	-98 088	-189 509
OPERATING PROFIT		1 926	3 950	7 795	5 415	13 720
Financial income		653	768	1 037	1 206	2 102
Financial expenses		-285	-143	-749	-430	-688
Financial expenses, net		368	625	290	776	1 415
RESULT BEFORE TAX		2 294	4 575	8 085	6 191	15 134
Income taxes		-1 100	-1 147	-2 649	-1 497	-3 024
RESULT FOR THE PERIOD		1 194	3 427	5 436	4 694	12 111
Result for the period attributable to equity holders of the Parent company		1 194	3 427	5 436	4 694	12 111
Earnings per share for profit attributable to equity holders of the Parent company, EUR						
Undiluted earnings per share		0.19	0.56	0.88	0.76	1.96
Diluted earnings per share		0.19	0.54	0.86	0.74	1.91

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Q2/2025	Q2/2024	H1/2025	H1/2024	2024
RESULT FOR THE PERIOD	1 194	3 427	5 436	4 694	12 111
Other comprehensive income items					
Items that will not be reclassified to profit or loss					
Changes in the fair value of financial assets att fair value through other comprehensive income	-	-	-	-	-219
Items that may be subsequently reclassified to profit or loss					
Hedging reserve hedge accounting	251	-30	499	-328	-376
Exchange differences on translating foreign operations	-432	118	-512	220	72
Income taxes related to these items	-	-	-	-	44
Comprehensive income items for the period net of tax	-181	88	-13	-108	-479
COMPREHENSIVE RESULT FOR THE PERIOD	1 013	3 515	5 423	4 585	11 632
Comprehensive profit for the period attributable to					
Equity holders of the Parent company	1 013		5 423		11 632

CONSOLIDATED BALANCE SHEET

EUR 1,000	Note	30.6.2025	30.6.2024	31.12.2024
ASSETS				
Non-current assets				
Goodwill	8	1 714	1 714	1 714
Other intangible assets	5	9 804	10 505	9 919
Property, plant and equipment	6	7 961	9 004	9 325
Right of use assets		2 922	6 058	5 800
Other financial assets		231	773	113
Deferred tax assets		1 244	4 863	3 217
Total non-current assets		23 876	32 917	30 088
Current assets				
Inventories		20 726	23 871	23 505
Accounts receivables and other receivables		24 730	34 240	24 863
Income tax receivable		46	20	42
Cash and cash equivalents		31 634	37 255	57 503
Total current assets		77 137	95 386	105 913
TOTAL ASSETS		101 013	128 302	136 001

CONSOLIDATED BALANCE SHEET

EUR 1,000	30.6.2025	30.6.2024	31.12.2024
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent company			
Share capital	8 256	8 256	8 256
Own shares	-1 955	-950	-950
Fair value reserve and other reserves	19 420	19 495	19 421
Exchange differences	-1 174	761	613
Retained earnings	17 157	7 249	7 240
Result for the period	5 436	4 694	12 111
Total equity attributable to equity holders of the Parent company	47 140	39 504	46 692
Convertible junior loan	3 000	3 000	3 000
Total equity	50 140	42 504	49 692
Non-current liabilities			
Deferred tax liability	0	36	46
Lease liability	1 846	4 880	4 267
Provisions	298	652	424
Total non-current liabilities	2 144	5 568	4 738
Current liabilities			
Provisions	2 118	1 932	2 195
Lease liability	1 213	1 326	1 349
Current advance payments received	17 502	40 600	46 007
Income tax liability	1 574	2 650	1 687
Trade payables and other liabilities	26 322	33 723	30 331
Total current liabilities	48 729	80 230	81 571
Total liabilities	50 873	85 798	86 309
TOTAL EQUITY AND LIABILITIES	101 013	128 302	136 001

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000

	H1/2025	H1/2024	2024
CASH FLOW FROM OPERATING ACTIVITIES			
Proceeds from customers	66 308	77 337	189 845
Other proceeds from operating activities	128	20	123
Payments to suppliers and employees	-84 436	-86 007	-175 841
Cash flow before financial items and taxes	-18 000	-8 649	14 128
Interest paid from operating activities	-117	-76	50
Dividends received from operating activities	417	360	360
Interest received from operating activities	644	768	1 602
Other financing items from operating activities	-537	-799	-1 109
Income taxes paid from operating activities	-804	-118	-961
Net cash flow from operating activities (A)	-18 398	-8 513	14 071
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property plant, equipment and intangible assets	-1 680	-972	-2 799
Purchase of shares	-118	-	-
Proceeds from sale of property plant and equipment and intangible assets	95	142	386
Net cash flow from investing activities (B)	-1 703	-830	-2 413
CASH FLOW FROM FINANCING ACTIVITIES			
Directed share issue and rights issue	-	-	-
Convertible junior loan	-	-	-
Expenses for share issues and junior loan	-161	-176	-350
Repurchase of own shares	-1 254	-43	-43
Proceeds from current borrowings	-	-	-
Repayments of current borrowings	-	-	-
Increase in lease liability	-	-	-
Repayments of lease liability	-891	-668	-1 289
Dividends paid	-3 320	-603	-603
Net cash flow from financing activities (C)	-5 627	-1 490	-2 285
Net change in cash and cash equivalents (A+B+C) increase (+)/decrease (-)	-25 728	-10 834	9 373
Cash and cash equivalents at the beginning of the period*	57 503	48 105	48 105
Net change in cash and cash equivalents	-25 728	-10 834	9 373
Effects of exchange rate changes on cash	-142	-17	26
Cash and cash equivalents at the end of the period*	31 634	37 255	57 503

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Invested non-restricted equity reserve	Own shares	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	Convertible junior loan	TOTAL EQUITY
EQUITY at January 1, 2025	8 256	18 205	-950	1 216	613	19 351	46 692	3 000	49 692
Comprehensive result for the period									
Result for the period						5 436	5 436		5 436
Changes in the fair value of financial assets at fair value through other comprehensive income							0		0
Hedging reserve				499			499		499
Exchange differences on translating foreign operations					-1 787	1 275	-512		-512
Income taxes related to these items							0		0
Total comprehensive result for the period	0	0	0	499	-1 787	6 711	5 423		5 423
Transfer of gain on disposals of equity investments at fair value through other comprehensive income to retained earnings									
Convertible junior loan						-149	-149		-149
Transactions with owners									
Net proceeds from directed share issue and rights issue			249	-499			-250		-250
Repurchase of own shares			-1 254				-1 254		-1 254
Dividends paid						-3 320	-3 320		-3 320
Total transactions with owners	0	0	-1 005	-499	0	-3 469	-4 974	0	-4 974
EQUITY at June 30, 2025	8 256	18 205	-1 955	1 216	-1 174	22 592	47 140	3 000	50 140

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY COMPARISON PERIOD

EUR 1,000	Share capital	Invested non-restricted equity reserve	Own shares	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	Convertible junior loan	TOTAL EQUITY
EQUITY at January 1, 2024	8 256	18 205	-950	1 321	541	8 028	35 401	3 000	38 401
Comprehensive result for the period									
Result for the period	-	-		-	-	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
Total comprehensive result for the period	0	0	0	-716	72	12 276	11 632		11 632
Transfer of gain on disposals of equity investments at fair value through other comprehensive income to retained earnings	-	-		-	-	-	-		-
Convertible junior loan						-350	-350		-350
Transactions with owners									
Net proceeds from directed share issue and rights issue			53	611			664		664
Repurchase of own shares			-53				-53		-53
Dividends paid						-603	-603		-603
Total transactions with owners	0	0		611	0	-953	-342		-342
EQUITY at June 30, 2024	8 256	18 205	-950	1 216	613	19 351	46 692	3 000	49 692

NOTES TO THE HALF-YEAR FINANCIAL REPORT

Basic information

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

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

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

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

Accounting principles

Raute Corporation's half-year financial report for January 1–June 30, 2025, has been prepared in accordance with standard IAS 34 Interim Financial Reporting.

The half-year financial report does not contain full notes or other information presented in the financial statements, and therefore the report should be read in conjunction with the financial statements published for 2024.

Raute Corporation's Half-year report for January 1–June 30, 2025, has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations released accepted for application in the European Union. The interim report has been drawn up according to the same accounting principles as in the Consolidated financial statements for 2024.

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

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

The upcoming accounting standards are not expected to have a significant impact on Raute Oyj, apart from IFRS 18, which is expected to have a significant effect on the information presented in the financial statements and the way this information is presented. The standard may be applied for financial years beginning on or after January 1, 2027.

NOTE 1 NET SALES

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

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

Large mill or production line scale delivery projects can temporarily increase the share of an individual customer of the Group's net sales to more than ten percent. At the end of the reporting period, the Group had one customer, whose customer-specific share of the Group's net sales exceeded ten percent.

EUR 1,000	Q2/2025	%	Q2/2024	%	H1/2025	%	H1/2024	%	2024	%
Net sales by market area										
EMEA (Europe and Africa excluding Finland)	12 907	29	17 980	31	29 545	31	32 394	32	81 822	40
EMEA (Finland)	19 757	45	8 443	15	41 972	44	11 353	11	32 176	16
NA (North America)	6 914	16	14 000	25	16 559	17	25 380	25	45 849	22
LAM (South America)	2 830	6	15 560	27	4 452	5	29 709	29	37 861	19
APAC (Asia-Pacific)	1 372	3	1 067	2	3 147	3	2 485	3	6 462	3
CIS (Russia)	-	-	1	0	-	-	413	0	413	0
TOTAL	43 780	100	57 051	100	95 674	100	101 735	100	204 583	100

EUR 1,000	Q2/2025	Q2/2024	H1/2025	H1/2024	2024
Specification of net sales					
Performance obligations to be satisfied over time	32 537	45 429	72 524	77 958	155 647
Performance obligations to be satisfied at a point in time	11 243	11 622	23 151	23 777	48 936
TOTAL	43 780	57 051	95 674	101 735	204 583

NOTE 2 SEGMENT REPORTING

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

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

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

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

Based on Raute's business model, nature of operations and management structure, the combined data of the three segments coincides with the entire group's data, i.e. the income statement items from revenue to EBITDA and comparable EBITDA are allocated to the reportable segments.

Raute Corporation's Board of Directors does not monitor the assets and liabilities of the segments on a segment-by-segment basis, so investments, assets, and liabilities are presented only at the group level. Segment reporting follows the principles of preparing consolidated financial statements.

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

EUR 1,000	Q2/2025	Q2/2024	H1/2025	H1/2024	2024
SEGMENT INFORMATION					
Wood Processing					
Net sales	30 403	41 836	68 344	73 797	147 174
EBITDA	2 208	3 024	7 631	4 154	10 931
Items affecting comparability	1 944	80	2 026	169	420
Comparable EBITDA	4 152	3 104	9 657	4 323	11 351
Services					
Net sales	9 905	10 733	20 168	20 564	42 091
EBITDA	1 893	1 795	3 465	3 652	6 767
Items affecting comparability	26	26	53	55	138
Comparable EBITDA	1 919	1 821	3 518	3 707	6 905
Analyzers					
Net sales	3 472	4 482	7 164	7 374	15 317
EBITDA	359	431	639	312	1 425
Items affecting comparability	21	21	41	41	104
Comparable EBITDA	380	452	680	353	1 529
SEGMENTS TOTAL					
Net sales	43 780	57 051	95 675	101 735	204 582
EBITDA	4 459	5 251	11 735	8 118	19 123
Items affecting comparability	1 991	126	2 120	265	662
Comparable EBITDA	6 450	5 377	13 855	8 383	19 785

ITEMS AFFECTING COMPARABILITY

EUR 1,000	Q2/2025	Q2/2024	H1/2025	H1/2024	2024
Comparable EBITDA	6 450	5 377	13 855	8 383	19 785
Restructuring costs	-1 863	-1	-1 878	-51	-102
Costs related to new ERP system	-128	-125	-244	-214	-559
Total items affecting comparability	-1 991	-126	-2 120	-265	-662
EBITDA	4 459	5 251	11 735	8 118	19 124
Depreciations	-1 554	-1 302	-2 959	-2 703	-5 404
Impairments	-980		-980		
Operating result	1 926	3 949	7 796	5 415	13 720
Financing expenses, net	368	625	290	776	1 415
Result before tax	2 294	4 574	8 084	6 191	15 134
Operating profit	1 926	3 949	7 796	5 415	13 720
Items affecting comparability in operating profit	-2 971	-126	-3 100	-265	-662
Comparable operating profit	5 265	4 700	11 184	6 456	15 796

Items affecting comparability

Raute considers items that affect comparability to be material and items that differ from normal business, related to restructuring costs and provisions and ERP renewal costs, impairments, gains and losses on the sale of assets, transaction costs related to combining business operations, litigation and arbitration costs.

Items affecting comparability in 2025 mainly include impairment charges and restructuring costs and provisions related to the closure of the production unit in Changzhou, China. In addition, ERP renewal costs have been reported as an item affecting comparability.

Items affecting comparability in 2024 include ERP renewal costs and restructuring costs.

Q2/2025					Q2/2024			
EUR 1,000	Wood Processing	Services	Analyzers	Total	Wood Processing	Services	Analyzers	Total
Net sales by market area								
EMEA (Europe and Africa excluding Finland)	8 768	3 007	1 132	12 907	12 860	3 598	1 523	17 980
EMEA (Finland)	18 010	1 014	733	19 757	6 035	1 223	1 184	8 443
NA (North America)	2 216	3 368	1 330	6 914	9 448	3 875	677	14 000
LAM (South America)	772	1 935	123	2 830	13 548	1 093	919	15 560
APAC (Asia-Pacific)	636	581	155	1 372	-56	943	180	1 067
CIS (Russia)	-	-	-	0	-	1	-	1
TOTAL	30 403	9 905	3 473	43 780	41 836	10 733	4 482	57 051

H1/2025					H1/2024			
EUR 1,000	Wood Processing	Services	Analyzers	Total	Wood Processing	Services	Analyzers	Total
Net sales by market area								
EMEA (Europe and Africa excluding Finland)	21 481	6 134	1 931	29 545	24 322	5 892	2 180	32 394
EMEA (Finland)	37 466	2 377	2 129	41 972	7 260	2 517	1 576	11 353
NA (North America)	6 869	7 306	2 383	16 559	16 109	7 734	1 536	25 380
LAM (South America)	1 217	3 058	178	4 452	25 725	2 393	1 592	29 709
APAC (Asia-Pacific)	1 311	1 293	543	3 147	106	1 832	547	2 485
CIS (Russia)	-	-	-	-	276	196	-58	413
TOTAL	68 343	20 168	7 164	95 674	73 798	20 564	7 374	101 735

NOTE 3

EUR 1,000

	Q2/2025	Q2/2024	H1/2025	H1/2024	2024
RESEARCH AND DEVELOPMENT COSTS					
Research and development costs for the financial period*	-1 403	-1 244	-2 968	-2 539	-4 930
Amortization of previously capitalized research and development costs**	-84	-166	-173	-332	-666
Development costs recognized as an asset in the balance sheet	63	38	370	75	255
Research and development costs recognized as an expense for the period	-1 424	-1 372	-2 771	-2 796	-5 341

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

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

NOTE 4 SHARE-BASED PAYMENTS

There are six valid long-term performance-based incentive plans for the Group's top management. The company decided on the launch of the latest share value based long-term performance incentive program for the Group's top management and selected key persons on February 19, 2025. The decision includes a Performance Share Plan ("PSP") as the main structure and a restricted Share Plan ("RSP") as a complementary structure. The purpose of the system is to align the goals of the owners and management to generate the company's value in the long term and to commit the company's management and key personnel to the company and to the achievement of the company's strategic goals.

The performance-based share reward system PSP 2025–2027 started at the beginning of 2025 and consists of a three-year earning period, to which two performance metrics are applied. The first performance indicator is EBITDA, and its weight is 70 percent. The second performance indicator is the net sales target, with a weight of 30 percent. The bonuses will be paid after the end of the three-year program and after the financial statements are completed in the spring of 2028, provided that the performance targets set by the board are achieved, either in Raute's shares or in cash, or a combination of these. The members of the Group's management team and selected key employees are participating in the PSP 2025–2027 program. The board is entitled to limit the remuneration paid from the long-term incentive system, if the remuneration exceeds the threshold value proportional to the key person's fixed gross annual salary. If the participant's employment or business relationship ends before the reward is paid, the reward will not be paid as a general rule. The maximum reward paid under the program corresponds to the value of approximately 90,000 of the company's shares. Total remuneration means the gross amount of remuneration before deduction of applicable withholding tax. The impact of the program on the result for the period 1 January–30 June 2025 was approximately EUR 35 thousand, and its total cost is estimated to be EUR 520 thousand.

The conditional reward system RSP consists of individual conditional share reward programs that start every year, each of which can include a commitment period of three years in total. During the program, the company can promise a fixed amount of share bonuses to separately selected key personnel, including members of the Raute Group's management team, applying a commitment period of a maximum of three years. The share bonus is paid after the commitment period applicable to the respective individual share bonus offer. The company can, according to its choice, pay the promised share bonuses either as a one-time payment or in several installments within the three-year total duration of the program. According to the company's choice, the bonuses can be paid either in Raute's shares or in cash based on the value of the share bonus at the time of payment. Payment of the bonus requires that the recipient's employment or business relationship with Raute still continues at the time of payment of the bonus. Under the RSP, the amount of remuneration paid to participants is limited by a maximum value, which is linked to the development of Raute's share price based on the coefficient set by the company. The conditional share bonus system program RSP 2025–2027 started at the beginning of 2025 and the

maximum number of share bonuses is approximately 68,000 shares (meaning gross remuneration less applicable withholding tax). No shares have been allocated from the plan at the end of the review period of the financial year.

In the first quarter of the financial year, the long-term incentive plan PSP 2022–2024 ended and the performance periods of the restricted share plan (RSP 2022–2024 and RSP 2023–2025) ended, as a result of which the shares were paid in accordance with the performance conditions of the plans. A total of 62,273 shares were paid as gross remuneration. The earning conditions of the plans were an employment condition and separately defined performance criteria based on financial targets. The plans have been treated in their entirety as a share-based payment based on equity.

In addition to the above-mentioned new programs, Raute has had performance-based incentive programs PSP 2023–2025 and PSP 2024–2026, as well as RSP 2023–2026 and RSP 2024–2026. No allocations have been made from RSP 2024–2026. The descriptions of these programs are included in the financial statements for 2024.

Totally the impact of share-based incentive plans on the reporting period's result was EUR 316 (297) thousand. At the end of the reporting period, EUR 929 (895) thousand was allocated to the equity item from the share-based incentive plans in force.

NOTE 5

EUR 1,000

	30.6.2025	30.6.2024	31.12.2024
OTHER INTANGIBLE ASSETS			
Acquisition cost at the beginning of the period	24 314	23 178	23 178
Exchange rate differences	-15	2	5
Additions	1 167	-	1 139
Deductions	-	529	-8
Reclassification between items	-	-	-
Acquisition cost at the end of the term	25 466	23 709	24 314
Accumulated depreciation and amortization	-14 395	-12 143	-12 143
Exchange rate differences	15	-2	-5
Accumulated depreciation of deductions and transfers	-	-	0
Impairments	-	-	-2 247
Depreciation and amortization for the period	-1 282	-1 059	0
Reclassification between items	-	-	-
Accumulated depreciation and amortization at the end of the term	-15 661	-13 204	-14 395
Book value at the beginning of the period	9 919	11 035	11 035
Book value at the end of the period	9 804	10 505	9 919

NOTE 6

EUR 1,000

	30.6.2025	30.6.2024	31.12.2024
PROPERTY, PLANT AND EQUIPMENT			
Acquisition cost at the beginning of the period	69 720	67 733	68 121
Exchange rate differences	-885	83	175
Additions	514	489	1 661
Disposals/impairments	-1 897	-129	-236
Reclassification between items	-	-	0
Acquisition cost at the end of the term	67 451	68 177	69 720
Accumulated depreciation and amortization	-54 597	-51 652	-51 652
Exchange rate differences	563	-24	-43
Accumulated depreciation and amortization of disposals and reclassifications	-	-	8
Depreciation and amortization for the period	-2 533	-1 440	-2 910
Accumulated depreciation and amortization at the end of the term	-56 568	-53 117	-54 597
Book value at the beginning of the period	15 125	16 083	16 469
Book value at the end of the period	10 883	15 062	15 125

NOTE 7

EUR 1,000

	30.6.2025	30.6.2024	31.12.2024
RIGHT-OF-USE ASSETS			
Book value at the beginning of the reporting period	5 800	6 482	6 869
Exchange rate difference	-328	48	102
Increases	151	283	283
Disposals	-1 817	-81	-81
Depreciation for the financial year	-550	-675	-1 373
Book value at the end of the reporting period	3 256	6 058	5 800

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

NOTE 8

EUR 1,000

	30.6.2025	30.6.2024	31.12.2024
GOODWILL			
Goodwill at the beginning of the year	1 714	1 714	1 714
Increases	0	0	0
Total	1 714	1 714	1 714

NOTE 9

EQUITY FINANCING INSTRUMENT

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

At the end of the review period, the company has a junior loan of EUR 3 million with conversion rights. The borrowers have the right to convert the remaining principal of the Junior Loan in full, but not in part, into new shares in Raute in one instalment in accordance with the terms and conditions of the share options related to the junior loan. At the end of the review period, the share subscription price is EUR 12.14. The loan amount gives the borrowers the right to subscribe for a maximum of 247,117 new shares in the company. Raute has the right, but not the obligation, to repay the junior loan in 2026.

NOTE 10 FINANCIAL ASSETS AND LIABILITIES

Raute has a committed standby credit limit of 5.0 million euros and a total uncommitted bank guarantee limit of 68 million euros. During the second quarter of 2025, Raute extended its bank guarantee and credit limit facility agreement. After extension, the facility is valid until 2027.

The overdraft limit was not in use at the period ending June 30, 2025.

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

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

The special conditions or covenants related to the financial indicators of the financing agreement are minimum EBITDA and equity ratio. The covenants are reported to the lender quarterly. If the covenant conditions are not met, the creditor can demand accelerated repayment of the limits in use, and terminate the financing agreement. Covenant conditions were met at the end of the reporting period.

At the end of the reporting period June 30, 2025, the fair value of the financial assets categorized at fair value hierarchy level 3 was EUR 230 thousand. The item includes the investments in unquoted shares which have been classified as financial assets at fair value through other comprehensive income. Derivative contracts have been classified as financial assets and liabilities at fair value through profit or loss. The fair value of these derivative contracts is based on the price available from the market data, but instruments are not traded in an active market. At the end of the period, financial assets did not include derivative contracts, and the fair value of the derivative contracts classified as financial liability was EUR 5 thousand. The Group's interest-bearing liabilities include a lease liability amount of EUR 3,059 thousand at the end of the reporting period.

EUR 1,000	30.6.2025	30.6.2024	31.12.2024
FINANCIAL ASSETS			
Financial assets at the beginning of the period	57 503	48 105	48 105
Change in financial assets	-25 728	-10 834	9 373
Exchange rate differences from financial assets	-142	-17	26
Financial assets at the end of the period	31 634	37 255	57 503

EUR 1,000	30.6.2025	30.6.2024	31.12.2024
OTHER FINANCIAL ASSETS			
Unquoted share investments	230	332	113
Total	230	332	113

EUR 1,000	Carrying amount 30.6.2025	Carrying amount 30.6.2024	Carrying amount 31.12.2024
Carrying amounts of financial assets			
Financial assets at fair value through profit or loss			
- Derivative contracts		-	-
Financial assets at fair value through other comprehensive income			
- Unquoted share investments	230	332	113
Financial assets at amortized cost			
- Account receivables and other receivables	10 202	10 162	8 337
- Cash and cash equivalents	31 634	37 255	57 503
Total	42 067	47 749	65 953

EUR 1,000	Level 1	Level 2	Level 3	Total
Hierarchy levels				
Financial assets at fair value through other comprehensive income				
- Unquoted share investments	-	-	230	230
Financial assets at fair value through profit or loss				
- Derivative contracts	-	-	-	-
Total	-	-	230	230

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.

NOTE 10
FINANCIAL ASSETS AND LIABILITIES

EUR 1,000	Carrying amount 30.6.2025	Carrying amount 30.6.2024	Carrying amount 31.12.2024
Carrying amounts of financial liabilities			
Financial liabilities at fair value through profit or loss			
- Derivative contracts	5	48	-
Financial liabilities recognized at amortized cost	0	0	0
- Financial loans	-	-	-
- Account limit	-	-	-
- Trade payables and other liabilities	11 024	15 792	13 138
- Accrued expenses and prepaid income	-	-	-
Total	11 030	15 840	13 138

EUR 1,000	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
- Derivative contracts	-	5	-	5
Total	-	5	-	5

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

NOTE 11

EUR 1,000

DERIVATIVES
Nominal values of forward contracts in foreign currency

Hedge accounting

- Related to the hedging of net sales

Derivatives which do not meet the criteria of hedge accounting

- Related to financing

Fair values of forward contracts in foreign currency

Hedge accounting

- Related to the hedging of net sales

Derivatives which do not meet the criteria of hedge accounting

- Related to financing

- Related to revenue protection

30.6.2025 **30.6.2024** **31.12.2024**
NOTE 12

EUR 1,000

PLEDGED ASSETS AND CONTINGENT LIABILITIES
Mortgage agreements

Business and real estate mortgages as collateral for credit and guarantee limits

Total credit guarantee arrangement

Mortgage agreements on behalf of subsidiaries

Financial loans

Other obligations

Other credit guarantee arrangements

Commercial bank guarantees on behalf of the Parent company and subsidiaries
Off-balance sheet leases

Rental liabilities maturing within one year

Rental liabilities maturing in one to five years

Total
30.6.2025 **30.6.2024** **31.12.2024**

178 200* 178 200 178 200

178 200* 178 200 178 200

- - -

- - -

- - -

34 144 32 064 32 112

320 293 323

287 411 308

607 704 631

* Related to the financing arrangement described in Note no. 10.

NOTE 13 CLAIMS AND CONTINGENCIES

In the ordinary course of business, Raute is involved in various claims and legal disputes across multiple countries. These include product liability claims and issues related to Raute's deliveries.

Based on current information, Raute's management does not expect the outcome of these law-suits and disputes to have a material adverse effect on the company. This assessment considers the nature of the claims, existing provisions, applicable insurance coverage, and the overall scope of Raute's business operations.

During the first quarter of 2025, Raute received information that Chongzuo Guanglin Difen New Materials Technology Co., Ltd. has filed a request for arbitration against Raute (Changzhou) Machinery Co., Ltd, a subsidiary of Raute Corporation. According to Raute, the claims made by Chongzuo Guanglin Difen New Materials Technology Co., Ltd. are unfounded and lack any factual basis. Moreover, the terms of the agreement do not substantiate the claims from the customer, and Raute has met all contractual obligations.

NOTE 14 NUMBER OF PERSONNEL

	H1/2025	H1/2024	2024
Employed at June 30, persons			
Workers	235	246	251
Office staff	531	552	532
TOTAL	766	798	783
Personnel working abroad	209	240	231
Effective, on average, persons			
Workers	231	229	233
Office staff	523	516	507
TOTAL	754	745	740
Personnel working abroad, effective, on average	222	208	196
On average, persons			
Workers	236	232	235
Office staff	535	545	547
TOTAL	771	777	782

NOTE 15 EXCHANGE RATES USED IN THE CONSOLIDATION OF SUBSIDIARIES

Income statement euros	H1/2025	H1/2024	2024
CNY (Chinese yuan)	7.9266	7.8012	7.7861
RUB (Russian rouble)	93.1298	97.5945	101.1328
CAD (Canadian dollar)	1.5403	1.4685	1.4816
USD (US dollar)	1.0930	1.0812	1.0820
SGD (Singapore dollar)	1.4463	1.456066	1.4457
CLP (Chilean peso)	1042.6117	1017.0467	1020.8358
IDR (Indonesian rupiah)	18162.1790	17207.9767	17145.5230
Balance sheet euros	H1/2025	H1/2024	2024
CNY (Chinese yuan)	8.3939	7.7748	7.5833
RUB (Russian rouble)	92.237	91.833	113.008
CAD (Canadian dollar)	1.5977	1.467	1.4948
USD (US dollar)	1.1704	1.0705	1.0389
SGD (Singapore dollar)	1.4933	1.4513	1.4164
CLP (Chilean peso)	1094.3	1018.11	1033.57
IDR (Indonesian rupiah)	18975.99	17487.21	16820.88

NOTE 16
SHARE-RELATED DATA

	H1/2025	H1/2024	2024
Earnings per share (EPS), undiluted, EUR	0.88	0.76	1.96
Earnings per share (EPS), diluted, EUR	0.86	0.74	1.91
Equity to share, EUR	8.19	6.94	8.12
Dividend per share, EUR	-	-	0.55
Dividend per profit, %	-	-	28.1
Effective dividend return, %	-	-	4.2
Price/earnings ratio (P/E ratio)	-	-	6.68
Development in share price			
Lowest share price for the period, EUR	12.70	9.88	9.88
Highest share price for the period, EUR	17.70	14.00	14.00
Average share price for the period, EUR	15.52	11.44	12.11
Share price at the end of the period, EUR	15.85	13.35	13.10
Market value of capital stock at the end of the period, MEUR	97.0	81.7	80.2

NOTE 16
SHARE-RELATED DATA

	H1/2025	H1/2024	2024
Trading of the company's shares			
Shares traded during the period, pcs	901 967	556 101	1 151 403
Shares traded during the period, MEUR	14.00	6.36	13.9
Total number of shares			
Average number of shares, 1,000 pcs	6 123	6 123	6 123
Number of own shares, 1,000 pcs	114	95	95
Adjusted average number of shares, 1,000 pcs	6 009	6 028	6 027
Adjusted average number of shares, diluted, 1,000 pcs	6 313	6 327	6 350
Number of shareholders at the end of the period	7 195	6 310	6 533

NOTE 17 DEVELOPMENT OF QUARTERLY RESULTS

EUR 1,000	Q2/2025	Q1/2025	Q4/2024	Q3/2024	Q2/2024	Q1/2024	R12 Q2/2025
NET SALES	43 780	51 894	56 476	46 373	57 051	44 684	198 523
Change in inventories of finished goods and work in progress	-3 476	-263	-3 113	-1 173	1 270	478	-8 025
Other operating income	53	75	67	36	10	11	230
Materials and services	-17 631	-24 940	-24 628	-19 592	-32 887	-22 963	-86 791
Employee benefits expense	-12 032	-14 448	-16 617	-13 768	-15 008	-14 122	-56 865
Depreciation, amortization and impairment	-2 534	-1 406	-1 332	-1 370	-1 302	-1 401	-6 641
Other operating expenses	-6 235	-5 042	-7 360	-5 694	-5 184	-5 221	-24 331
Total operating expenses	-38 432	-45 836	-49 937	-40 424	-54 381	-43 707	-174 628
OPERATING PROFIT	1 926	5 870	3 493	4 812	3 949	1 466	16 100
% of net sales	4.4	11.3	6.2	10.4	6.9	3.3	8.1
Financial income	653	385	436	461	768	437	1935
Financial expenses	-285	-464	-168	-90	-143	-287	-1007
Financial expenses, net	368	-79	268	371	625	151	928
RESULT BEFORE TAX	2 294	5 790	3 761	5 183	4 574	1 617	17 028
% of net sales	5.2	11.2	6.7	11.2	8.0	3.6	8.6
Income taxes	-1 100	-1 549	-809	-718	-1147	-351	-4175
TOTAL RESULT FOR THE PERIOD	1 194	4 241	2 952	4 465	3 427	1 266	12 853
% of net sales	2.7	8.2	5.2	9.6	6.0	2.8	6.5
Attributable to equity holders of the Parent company	1 194	4 241	2 952	4 465	3 427	1 266	12 853
Undiluted earnings per share, euros	0.19	0.69	0.48	0.73	0.56	0.20	2.09
Diluted earnings per share, euros	0.19	0.66	0.46	0.71	0.54	0.19	2.02
Adjusted average number of shares, 1,000 pcs	5 995	6 023	6 027	6 027	6 028	6 028	6 018
Adjusted average number of shares, diluted, 1,000 pcs	6 023	6 345	6 350	6 331	6 325	6 204	6 262
FINANCIAL DEVELOPMENT QUARTERLY	Q2/2025	Q1/2025	Q4/2024	Q3/2024	Q2/2024	Q1/2024	R12 Q2/2025
Order intake during the period, EUR million	12	15	50	15	20	36	
Order book at the end of the period, EUR million	115	146	184	188	223	259	

NOTE 18
RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

EUR 1,000	Q2/2025	Q1/2025	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q1-Q4/2024	R12 Q2/2025
Net result for the reporting period	1 194	4 241	2 952	4 465	3 427	1 266	12 111	12 852
Items affecting comparability								
Restructuring costs	-1 863	-15		-36	-1	-49	-102	-1 914
Costs related to new ERP system	-128	-114	-284	-61	-125	-89	-559	-587
Items affecting comparability in EBITDA	-1 991	-129	-284	-97	-126	-138	-662	-2 501
Impairments	-981							-981
Items affecting comparability in operating profit	-2 972	-129	-284	-97	-126	-138	-662	-3 482
Items affecting comparability in taxes	26	26	57	19	25	28	132	128
Items affecting comparability, total	-2 946	-103	-227	-78	-101	-110	-530	-3 354
Comparable net result for the reporting period	4 140	4 344	3 179	4 543	3 528	1 376	12 641	16 206
Interest for junior loan, net of taxes	-59	-59	-70	-70	-69	-72	-280	-258
Comparable net result for EPS calculation	4 081	4 285	3 110	4 473	3 459	1 304	12 360	15 949
Net result for EPS calculation	1 135	4 182	2 882	4 395	3 358	1 194	11 831	12 594
Number of shares (1,000)	6 123	6 123	6 123	6 123	6 123	6 123	6 123	6 123
Number of own shares (1,000)	128	100	96	96	94	95	95	105
Adjusted average number of shares basic (1,000)	5 995	6 023	6 027	6 027	6 028	6 028	6 027	6 018
Comparable EPS, basic (EUR)	0.68	0.71	0.52	0.74	0.57	0.22	2.05	2.65
EPS, basic (EUR)	0.19	0.69	0.48	0.73	0.56	0.20	1.96	2.09
Operating profit for the reporting period	1 926	5 869	3 493	4 812	3 949	1 466	13 720	16 100
Items affecting comparability in operating profit	-2 972	-129	-284	-97	-126	-138	-662	-3 482
Comparable operating profit	4 898	5 998	3 777	4 909	4 075	1 604	14 382	19 582
% of sales	11.2	11.6	6.7	10.6	7.1	3.6	7.0	9.9

NOTE 19
20 LARGEST SHAREHOLDERS AT JUNE 30, 2025, BY NUMBER OF SHARES

	Shares pcs	% of total shares
1. Sundholm Göran Wilhelm	756 250	12.35
2. Laakkonen Mikko Kalervo	255 335	4.17
3. Mandatum Life Insurance Company Ltd	132 574	2.17
4. eQ Finland Investment Fund	131 259	2.14
5. Stephen Industries Inc Oy	129 687	2.12
6. Suominen Pekka Matias	117 329	1.92
7. Siivonen Osku Pekka	106 901	1.75
8. Kirmo Kaisa Marketta	105 421	1.72
9. Mustakallio Mika Tapani	103 678	1.69
10. Keskiaho Kaija Leena	101 659	1.66
11. Särkijärvi Anna Riitta	98 986	1.62
12. Suominen Tiina Sini-Maria	97 144	1.59
13. Raute Oyj	77 662	1.27
14. Suominen Jussi Matias	74 626	1.22
15. Varma Mutual Pension Insurance Company	74 608	1.22
16. Relander Pär-Gustaf	72 700	1.19
17. Mustakallio Marja Helena	71 144	1.16
18. EAI Raute Holding Oy*	70 504	1.15
19. Särkijärvi Timo Juha	66 307	1.08
20. Mustakallio Kari Pauli	57 000	0.93
Total	2 700 774	44.11

NOTE 20
MANAGEMENT'S SHAREHOLDING AND NOMINEE-REGISTERED SHARES AT JUNE 30, 2025

	Shares pcs	% of total shares
Management's holding at June 30, 2025		
The Board of Directors The Group's President and CEO and Executive Board*	141 547	2.3
TOTAL	141 547	2.3
*The figures include the holdings of their own minor children and control entities.		
Nominee-registered shares at June 30, 2025	249 000	4.1

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

FURTHER INFORMATION

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Mr. Ville Halttunen, CFO, tel. +358 50 346 0868

BRIEFING

A results briefing for analysts, investors and the media will be organized at Eliel studio in Sanomatalo, Töölönlahdenkatu 2, Helsinki on August 12, 2025, at 2:00 p.m.

The half-year financial report will be presented by President and CEO Mika Saariaho and CFO Ville Halttunen. The presentation material will be available after the briefing at www.raute.com > Investors > Financial information > Result center.

The event will be held in English, and it can also be followed by a live webcast at <https://raute.videosync.fi/q2-2025>. After the presentation, it will be possible to ask questions via chat. The recording of the event will be available on the company's website after the event on August 12, 2025.

FINANCIAL CALENDAR IN 2025

Raute will publish its financial results in 2025 as follows:

- Business Review January–September on Thursday, October 30, 2025

RAUTE IN BRIEF - Making Wood Matter

Raute is the partner to future-proof the wood industry. Our technologies cover different production processes with supporting digital and analytics solutions for engineered wood products. Additionally, we offer a full-scale service concept ranging from spare parts to regular maintenance and modernizations. Our innovative hardware and software solutions are designed to support our customers' efficient consumption of natural resources. In mill-scale projects, Raute is a global market leader both in the plywood and LVL industries. Raute's head office and main production plant are located in Lahti, Finland. The company's other production plants are located in Kajaani, Finland, the Vancouver area of Canada, and in Pullman, WA, USA. Raute's net sales in 2024 were EUR 204.6 million. The Group's headcount at the end of 2024 was 783. More information about the company can be found at www.raute.com.



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