

## TERMS AND CONDITIONS OF THE OFFERING

### Authorisation to issue shares granted by the Annual General Meeting

On 30 March 2023, the Annual General Meeting of Raute Corporation (“**Raute**” or the “**Company**”) authorised the Board of Directors of the Company to decide on the issue of a maximum of 1,750,000 new shares in the Company in a share issue.

In accordance with the resolution of the Annual General Meeting, the Company’s shareholders have the right to subscribe for shares in proportion to their existing shareholdings in the Company. If the shares are not fully subscribed for, the Company’s Board of Directors has the right to decide on offering the unsubscribed for shares for subscription to the Company’s shareholders or other persons in the proportion it sees fit. The Board of Directors was authorised to decide on other terms and conditions of the share issue and to see to the practical measures related to the share issue.

The authorisation is valid until 30 September 2023.

### Share issue decision made by the Board of Directors of the Company

On 22 May 2023, with the aforementioned authorisation granted by the Annual General Meeting, the Board of Directors of the Company decided on an offering in accordance with the shareholders’ pre-emptive rights in which the Company issues up to 1,020,446 new shares in the Company (the “**Offer Shares**”) in accordance with these terms and conditions primarily to the Company’s shareholders in proportion to the number of shares they hold in the Company and secondarily to the Company’s shareholders and other persons (the “**Offering**”).

The Offering consists of (i) a public offering in Finland, (ii) a private placement elsewhere in the European Economic Area (the “**EEA**”) and (iii) a private placement in certain other countries outside of the United States pursuant to the applicable legislation. If an investor is from an EEA country other than Finland, one of the prospectus exemptions set forth in Article 1(4) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) must apply in connection with the offering of the Offer Shares. In other cases, the Company may, at its discretion, approve the subscription if doing so is permitted under the applicable law. See also “– *Persons resident in certain restricted jurisdictions*” in these terms and conditions of the Offering.

The Offer Shares represent approximately 20 percent of all of the Shares in the Company and votes related thereto before the Offering and approximately 17 percent of all of the Shares in the Company and the votes related thereto after the Offering, assuming the Offering is completed in full. As a result of the Offering, the total number of Shares in the Company may increase from the current 5,102,223 Shares to a maximum of 6,122,679 Shares.

Evli Plc acts as the lead manager of the Offering (“**Evli**” or the “**Lead Manager**”).

Prior to the publication of the Prospectus, the Company has received advance subscription commitments for a total of approximately EUR 3.7 million (each separately “**Subscription Commitment**” and all together “**Subscription Commitments**”). Göran Sundholm and eQ Asset Management Ltd as a portfolio manager on behalf of funds managed by it have each on certain customary conditions undertaken in advance to subscribe for Offer Shares in proportion to their shareholdings. The proportion of Göran Sundholm is more than ten (10) and the proportion of the funds managed by eQ Asset Management Ltd is more than five (5) per cent of all Offer Shares. In addition, Handelsbanken Fonder AB on behalf of Handelsbanken Finland Småbolag, Mikko Laakkonen, Mininvest Oy, Pär-Gustaf Relander, Stephen Industries Inc Oy, Osku Siivonen, UB Fund Management Company Ltd on behalf of funds managed by it, Varma Mutual Pension Insurance Company and Verhold Oy and certain members of the Executive Board and Board of Directors of the Company as well as certain Company’s existing shareholders that earlier gave their commitment to the combination of the share classes of the Company prior to the Annual General Meeting held on 30 March 2023 have given Subscription Commitments subject to certain customary conditions. Of the members of the Board of Directors, Mika Mustakallio, Joni Bask, Patrick von Essen, Ari Piik, Ari Harmaala and Petri Perttula have given commitments, and of the members of the Executive Board, Mika Saariaho, Kurt Bossuyt, Jani Myyryläinen, Jani Roivainen, Petri Strengell and Ville Halttunen have given commitments. The Subscription Commitments correspond to approximately 49 percent of the Offer Shares, assuming that the Offering is completed in full.

### **Right to subscribe for Offer Shares using Subscription Rights (Primary Subscription)**

The Offer Shares will be offered for subscription by the shareholders of the Company in proportion to their holding of Existing Shares.

Subject to these terms and conditions of the Offering, a shareholder of the Company who on the record date of the Offering, 25 May 2023, (the “**Record Date**”) is registered in the Company’s shareholders’ register maintained by Euroclear Finland Oy (“**Euroclear Finland**”) or, as regards nominee-registered Existing Shares, a shareholder on whose behalf the Shares have been registered in the Company’s shareholders’ register on the Record Date, will automatically receive one (1) freely transferable subscription right as a book-entry for every one (1) Existing Share owned on the Record Date (the “**Subscription Right**”). Any treasury shares held by the Company do not entitle to Subscription Rights.

The Subscription Rights will be registered on the shareholders’ book-entry accounts in the book-entry system maintained by Euroclear Finland on 26 May 2023.

Holders of Subscription Rights have the right to Subscribe for Offer Shares using Subscription Rights so that five (5) Subscription Rights entitle the holder to subscribe for one (1) Offer Share at the Subscription Price (as defined below) (the “**Primary Subscription**”). No fractions of Offer Shares can be subscribed for, and a Subscription Right cannot be exercised partially.

Holders of Subscription Rights may sell their Subscription Rights at any time during the public trading of the Subscription Rights on the official list of Helsinki Stock Exchange. For more details, see “– *Trading in Subscription Rights*” in these terms and conditions of the Offering.

Any unexercised Subscription Rights will expire with no value at the end of the Subscription Period (as defined below) and they will be removed from the book-entry accounts of the holders without separate notice or compensation. For more details, see “– *Subscription for Offer Shares in the Primary Subscription*” in these terms and conditions of the Offering.

### **Right to subscribe for Offer Shares not subscribed for based on the Subscription Rights (Secondary Subscription)**

In the event not all the Offer Shares are subscribed for based on the Subscription Rights in the Primary Subscription, the Company’s shareholders and other persons have, without a Subscription Right, the right to subscribe for Offer Shares not subscribed for in the Primary Subscription at the Subscription Price (the “**Secondary Subscription**”).

In the event not all the Offer Shares have been subscribed for in the Secondary Subscription, the remaining Offer Shares may be offered for subscription in a manner decided by the Board of Directors. For more details, see “– *Approval of subscriptions and publishing the final results of the Offering*” in these terms and conditions of the Offering.

### **Subscription Price**

The Subscription Price is EUR 7.35 per Offer Share (the “**Subscription Price**”). The subscription price includes an imputed discount customary in subscription rights offerings compared to the theoretical ex-rights price based on the closing price of the Company’s share on the trading day on the Helsinki Stock Exchange immediately preceding the decision on the Offering. The Subscription Prices will be fully recorded into the invested unrestricted equity fund.

### **Subscription Period**

The Subscription Period for the Offer Shares will commence on 30 May 2023 at 9:30 a.m. and expire on 13 June 2023 at 4:30 p.m. Finnish time (the “**Subscription Period**”). Subscription places, i.e. account operators, custodians and nominees, will accept subscription assignments during their normal operating hours and according to their own specifications and may impose deadlines for subscription that are earlier than the expiry of the Subscription Period.

The Board of Directors of the Company may decide on extending the Subscription Period. The Company will disclose any extensions to the Subscription Period through a stock exchange release prior to the expiry of the original Subscription Period.

The pre-emptive subscription right must be exercised during the Subscription Period.

### **Subscription procedure and payment of the Subscription Price**

## **Overview**

Subscription in the Primary Subscription and the Secondary Subscription is made by submitting a subscription order and paying the Subscription Price of the Offer Shares in accordance with the instructions provided by the account operator or custodian of the Company's shareholder or other person, or, in case of nominee-registered shareholders or other persons, in accordance with instructions provided by the nominee. A subscription will be deemed made only after the subscription order has been received by the relevant account operator, custodian or nominee and the Subscription Price of the Offer Shares has been paid in full.

Shareholders or other persons who do not receive instructions for making a subscription order and paying the Subscription Price from their own account operator, custodian or nominee can contact the Lead Manager for instructions.

Persons making a subscription order must have a book-entry account with a Finnish account operator or with an account operator operating in Finland, and the persons must submit the number of their book-entry account in the subscription order. The personal identification number, book-entry account number and other personal data required for the subscription order may also be disclosed to other parties participating in the execution of the order or the performance of duties related to the Offering. By subscribing for Offer Shares in the Offering, the subscriber authorises their account operator, custodian or nominee to disclose the aforementioned data or other data relating to the subscription to parties involved in the allocation and clearing of the subscription order or Offer Shares.

At the time of submitting a subscription order, a shareholder, other person or, in case of nominee-registered shareholders or other persons, the nominee may have to prove that the registered address of the shareholder or other person in question is not in a Restricted Jurisdiction (as defined below).

Incomplete or erroneous subscription orders may be rejected. A subscription order may also be rejected if the Subscription Price of the Offer Shares is not paid in accordance with these terms and conditions or if such payment is not made in full. In such a situation, the paid Subscription Price will be refunded to the subscriber. No interest will be paid on the refunded amount.

Any subscriptions made are irrevocable and may not be modified or withdrawn other than as set forth in section “–*Withdrawal of subscriptions under certain circumstances*” of these terms and conditions.

### ***Subscription for Offer Shares in the Primary Subscription***

The Company's shareholders and other persons may subscribe for Offer Shares in the Primary Subscription by using the Subscription Rights on the holder's book-entry account and paying the Subscription Price of Offer Shares to be subscribed for in full.

Subscriptions must be made separately for each book-entry account.

If a Share entitling to a Subscription Right is pledged or subject to any other restrictions, it may not necessarily be possible to exercise the Subscription Right without the consent of the pledgee or the holder of the relevant right.

Any unexercised Subscription Rights will expire with no value at the end of the Subscription Period on 13 June 2023 at 4:30 p.m. Finnish time, unless the Subscription Period is extended. Any expired Subscription Rights will be removed from the book-entry accounts of the holders without separate notice or compensation. In order to not lose the value of the Subscription Rights, the holder of the Subscription Rights must either subscribe for Offer Shares in accordance with these terms and conditions of the Offering or sell the unexercised Subscription Rights during the trading period of the Subscription Rights.

The Offer Shares subscribed for on the basis of Subscription Rights will be recorded on the subscribers' book-entry accounts after the subscription and payment as interim shares representing the Offer Shares (the “**Interim Shares**”). The ISIN code of the Interim Shares is FI4000552914 and the trading symbol is RAUTEN0223. The Interim Shares will be freely transferable and subject to trading on the official list of the Helsinki Stock Exchange as a separate share series as of the first trading day after the end of the Subscription Period, i.e. approximately as of 14 June 2023, unless the Subscription Period is extended, and provided that the Helsinki Stock Exchange approves the listing application for the Interim Shares. The Interim Shares will be combined with the Company's Existing Shares once the Offer Shares whose subscriptions the Company's Board of Directors has approved have been registered with the Trade Register maintained by the Finnish Patent and Registration Office (the “**Trade Register**”), i.e. on or about 20 June 2023, unless the Subscription Period is extended, and provided that the Helsinki Stock Exchange approves the listing application for the Interim Shares.

### ***Subscription for Offer Shares in the Secondary Subscription***

The Company's Shareholders and other persons may subscribe for Offer Shares without Subscription Rights in the Secondary Subscription by submitting a subscription order and by simultaneously paying the Subscription Price of the Offer Shares in full.

It is possible that with some account operators, subscriptions in the Secondary Subscription cannot be made through share savings accounts.

If several subscription orders are submitted in respect of a particular book-entry account, such orders will be combined into one subscription order of that book-entry account.

The Offer Shares subscribed for without Subscription Rights and allocated to the subscribers and whose subscriptions the Company's Board of Directors has approved will be recorded as shares in the Company on the subscribers' book-entry accounts after the Offer Shares have been registered in the Trade Register, i.e. on or about 20 June 2023, unless the Subscription Period is extended.

### **Withdrawal of subscriptions under certain circumstances**

If the prospectus for the Offering (the "**Prospectus**") is supplemented in accordance with the Prospectus Regulation due to a significant new factor, material mistake or material inaccuracy relating to information contained in the Prospectus that could affect the assessment of the Offer Shares or the Interim Shares, investors who have subscribed for Offer Shares before the publication of the supplement will have the right to withdraw their subscription during a withdrawal period in accordance with the Prospectus Regulation. The withdrawal period lasts for at least two working days as of the publication of the supplement. In addition, the withdrawal right is conditional on the significant new factor, material mistake or material inaccuracy leading to the supplementation of the Prospectus having arisen or been noted prior to the end of the Subscription Period or before the Offer Shares or Interim Shares subject to withdrawal have been recorded on the subscriber's book-entry account (whichever is earlier).

The procedures regarding the withdrawal of subscriptions will be announced through a stock exchange release together with any supplement to the Prospectus. Any withdrawal of a subscription must concern the entire subscription made by the investor. The withdrawal must be notified in writing to the account operator, custodian or nominee in which the subscription order was given.

After the time period set for the withdrawal of subscriptions has expired, the right of withdrawal is no longer valid. If a subscription is withdrawn, the paid Subscription Price will be refunded to the subscriber within approximately two banking days from the notice of withdrawal. No interest will be paid on the refunded amount. If the holder of a Subscription Right or Interim Share has sold or otherwise transferred its Subscription Rights or Interim Shares, such sale or transfer cannot be withdrawn.

### **Trading in Subscription Rights**

The Subscription Rights will be subject to trading on the official list of the Helsinki Stock Exchange from 10:00 a.m. Finnish time on 30 May 2023 to 6:30 p.m. Finnish time on 7 June 2023, unless the Subscription Period is extended, and provided that the Helsinki Stock Exchange approves the listing application for the Subscription Rights. Subscription Rights may be sold or purchased by giving sell or purchase orders to one's own book-entry account operator or securities broker. The price of the Subscription Rights on the Helsinki Stock Exchange will be determined in market trading.

The ISIN code of the Subscription Rights is FI4000552906 and the trading code is RAUTEU0123.

### **Approval of subscriptions and publishing the final results of the Offering**

The Board of Directors of the Company will decide on the approval of the subscriptions submitted in the Offering, and the Company will publish the final results of the Offering in a stock exchange release on or about 16 June 2023.

The Board of Directors of the Company will generally approve all subscriptions made on the basis of a Subscription Right provided that they have been made in accordance with these terms and conditions of the Offering and applicable laws and regulations.

In the event not all the Offer Shares issued in the Offering have been subscribed for in the Primary Subscription, the Board of Directors of the Company will approve any subscriptions made without Subscription Rights in the Secondary Subscription, provided that the subscriptions have been made in accordance with these terms and conditions of the

Offering and applicable laws and regulations, by applying the allocation principles set out below. The approval of the subscriptions made without Subscription Rights in the Secondary Subscription and allocation of the Offer Shares to the subscribers is determined based on the Lead Manager's proposal as follows:

- i. First to the members of the Company's Executive Board who have subscribed for Offer Shares in the Secondary Subscription in accordance with their Subscription Commitment to the maximum amount covered by said Subscription Commitment. If the Offering will be oversubscribed in this manner, the allocation to the subscribers will be determined by book-entry account in proportion to the number of Offer Shares subscribed for by the subscriber or, where this is not possible, by drawing lots.
- ii. Second to other subscribers who have given a Subscription Commitment and subscribed for Offer Shares in the Secondary Subscription in accordance with their Subscription Commitment to the maximum amount covered by said Subscription Commitment. If the Offering will be oversubscribed in this manner, the allocation to the subscribers will be determined by book-entry account in the Secondary Subscription in proportion to the number of Offer Shares subscribed for by the subscribers or, where this is not possible, by drawing lots.
- iii. Third to those subscribers who have subscribed for Offer Shares in the Secondary Subscription. If the Offering will be oversubscribed in this manner, the allocation to the subscribers will be determined by book-entry account in proportion to the number of Offer Shares subscribed for by the subscriber, however, so that the subscriptions based on the Subscription Commitments mentioned in i. and ii. are not taken into account when calculating this proportion or, where this is not possible, by drawing lots.

If the number of Offer Shares covered by the subscription order will not be allocated to the subscriber in the Secondary Subscription, the Subscription Price paid for non-allocated Offer Shares will be refunded on or about 28 June 2023 at the latest. No interest will be paid on the refunded amount.

In the event not all the Offer Shares have been subscribed for in the Primary and Secondary Subscription, the remaining Offer Shares may be offered for subscription in a manner decided by the Company's Board of Directors. In such a case, the Company's Board of Directors will also decide on the means of subscription, the subscription period and the payment period of the relevant Offer Shares.

The Board of Directors of the Company may also decide to not approve subscriptions, irrespective of whether the subscription was made on the basis of Subscription Rights or not, and to not carry out the Offering if the Company's Board of Directors concludes that carrying out the Offering is not in the Company's interest. If the Board of Directors of the Company decides to not carry out the Offering, the Subscription Rights and Interim Shares will lapse. For more details, see section "*Riskitekijät*"<sup>1</sup>.

If the subscription or part thereof is not approved or if the Offering is not carried out, the Subscription Price paid for the Offer Shares will be refunded to the holders of the Interim Shares in subscriptions made with Subscription Rights and to the subscribers in subscriptions made without Subscription Rights. No interest will be paid on the refunded amount.

### **Trading in Offer Shares**

Trading in the Offer Shares whose subscriptions the Board of Directors of the Company has approved will commence on the official list of the Helsinki Stock Exchange on or about 21 June 2023, unless the Subscription Period is extended, and provided that the Helsinki Stock Exchange approves the Company's listing application for the Offer Shares.

### **Persons resident in certain restricted jurisdictions**

The issuance of Subscription Rights to the Company's shareholders residing in countries other than Finland and the issuance of Offer Shares to persons residing in countries other than Finland may be affected by the securities legislation of those countries. Consequently, and subject to certain exceptions, shareholders whose registered address is in the United States, Canada, Australia, Hong Kong, South Africa, Singapore, Japan, New Zealand, or any other country in which participation to the Offering would not be permitted (the "**Restricted Jurisdictions**") may not necessarily receive Subscription Rights and are not entitled to subscribe for the Offer Shares. Each such shareholder registered in the Company's shareholders' register in Finland may sell some or all of the Subscription Rights managed on their behalf through the bank, nominee, custodian or other financial intermediary holding their Shares, to the extent permitted under contractual arrangements and applicable law, and may receive sales revenues (less any expenses) to their account.

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<sup>1</sup> Section "*Riskitekijät*" in the Finnish language Prospectus.

## **Shareholder rights**

The Offer Shares will carry the right to receive full dividends and other distributions of funds by the Company, if any, and other shareholder rights in the Company as of the registration of the Offer Shares with the Trade Register on or about 20 June 2023 and in the shareholders' register of the Company maintained by Euroclear Finland on or about 20 June 2023. Each Offer Share entitles its holder to one (1) vote at the Company's General Meeting.

## **Fees and expenses**

No transfer tax or service fees are payable on the subscription for Offer Shares. Account operators, custodians and securities brokers may charge a commission for trading in Subscription Rights in accordance with their own price lists. Account operators and custodians may also charge a fee in accordance with their price lists for the maintenance of the book-entry account and the custody of shares.

## **Information required to be made available**

The documents referred to in chapter 5, section 21 of the Finnish Limited Liability Companies Act are available for viewing from the beginning of the Subscription Period on the Company's website at [www.raute.com/shareissue](http://www.raute.com/shareissue).

## **Applicable law and dispute resolution**

The Offering is governed by the laws of Finland. Any disputes arising in connection with the Offering will be settled by the court of competent jurisdiction in Finland.

## **Other matters**

The Board of Directors of the Company will decide on any other issues and practical matters relating to the issuance of the Offer Shares and the Offering.

These terms and conditions have been prepared in Finnish and translated into English. In the event of any discrepancies between the original Finnish version and the English translation, the Finnish original version shall prevail.

See also section "*Osakeannin järjestämiseen liittyviä sopimuksia, kaupankäynnin kohteeksi ottamista koskevat järjestelyt sekä lähdevero*".<sup>2</sup>

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<sup>2</sup> Section "*Osakeannin järjestämiseen liittyviä sopimuksia, kaupankäynnin kohteeksi ottamista koskevat järjestelyt sekä lähdevero*" in the Finnish language Prospectus.